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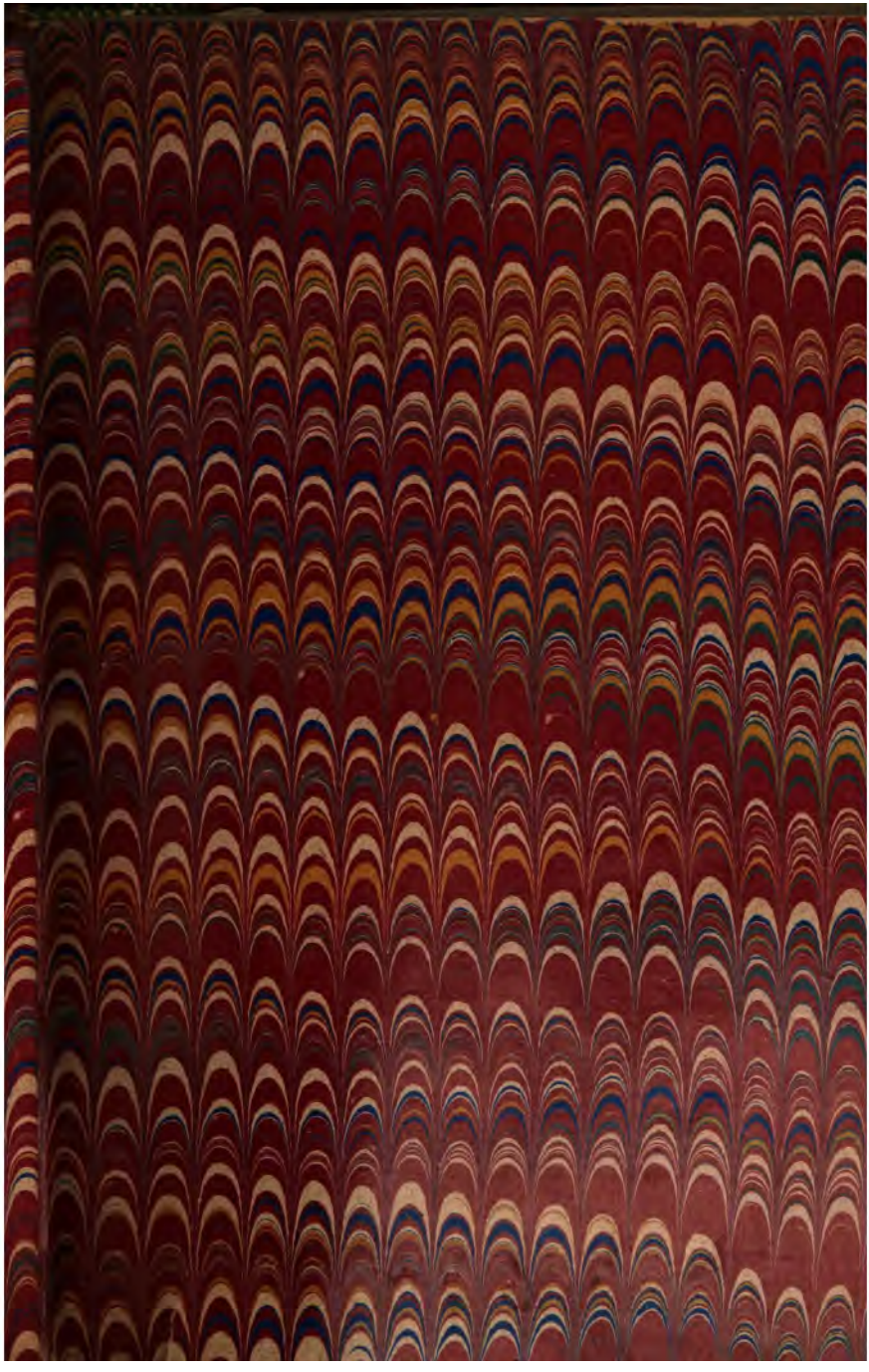
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INTERNAL-REVENUE

MANUAL,

COMPILED BY DIRECTION OF

THE COMMISSIONER OF INTERNAL REVENUE

FROM THE

LAWS AND REGULATIONS NOW IN FORCE,

FOR THE

INFORMATION AND GUIDANCE

OF

INTERNAL-REVENUE AGENTS AND OFFICERS.

AUGUST 1, 1879.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1879.

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INTERNAL-REVENUE MANUAL.

INTRODUCTORY.

The publication, one year ago, of the Internal-Revenue Agent's Manual was found to be so useful to the entire Service, and the demand for it from all classes of officers was so great, that the limited edition printed was soon exhausted.

It has therefore been determined to print a new edition, considerably enlarged, and to make it a manual for all internal-revenue officers. The general arrangement of the Internal-Revenue Agent's Manual has been preserved, and for this reason, the instructions particularly designed for them will be found at the beginning of the work. The remainder of the book has been compiled to meet the wants of all branches of the Service.

While, besides internal-revenue agents, the "Manual" will probably prove more particularly valuable to collectors and their deputies than to any others, it is thought that all officers and employés of the Internal-Revenue Service will find it greatly to their advantage to procure copies and make a special study of the work.

A sufficient edition has been printed to enable collectors to furnish copies to all their subordinates, and they are instructed to do so in all cases where they are satisfied that profitable use will be made of the same.

The work is published in a convenient form, so that agents and division deputies will be able to carry a copy with them when travelling in their divisions, and they are recommended to do so.

While matters which are more or less local, such as exportation of spirits, tobacco, &c., are somewhat briefly treated, the aim has been to make the "Manual" very com-

plete on most topics of general interest and every-day practice in the Internal-Revenue Service.

This compilation is not intended to supersede, in any manner, the laws and regulations as officially promulgated by the Internal-Revenue Office, constant reference to which should be had by all officers.

EMPLOYMENT OF INTERNAL-REVENUE AGENTS.

Internal-revenue agents are employed by virtue of the following provision of the Revised Statutes of the United States, as amended March 1, 1879:

SEC. 3152. The Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ competent agents, not exceeding at any time thirty-five in number, to be paid such compensation as he may deem proper, not exceeding, in the aggregate, any appropriation made for that purpose; and he may, at his discretion, assign any such agent to duty under the direction of any officer of internal revenue, or to such other special duty as he may deem necessary; and no general or special agent or inspector, by whatever designation he may be known, of the Treasury Department, in connection with the internal revenue, except inspectors of tobacco, snuff, and cigars, and except as provided for in this title, shall be appointed, commissioned, employed, or continued in office. The agents whose employment is authorized by this section shall be known and designated as internal-revenue agents, and they shall have all the powers of entry and examination conferred upon any officer of internal revenue, by sections 3177, 3277, 3286, and 3318 of the Revised Statutes; and all the provisions of said sections, including those imposing fines, forfeitures, penalties, or other punishments for the enforcement thereof, are hereby made applicable to the action of internal-revenue agents, in the same manner as if such agents were specially named in each of said sections. And all the provisions of sections 3167, 3168, 3169, and 3171 of the Revised Statutes shall apply to internal-revenue agents as fully as to internal-revenue officers.

ORGANIZATION OF THE FORCE OF INTERNAL-REVENUE AGENTS.

One revenue agent to be designated as *Chief* of the *Division of Revenue Agents* will be on duty in Washington, and will have general supervision of the work of revenue agents, under the direction of the Commissioner.

The United States and Territories will be divided into convenient districts, to each of which an internal-revenue agent will be assigned. The territorial boundaries of these districts will be changed as often as may be deemed expedient or necessary, and the new divisions announced from time to time.

The internal-revenue agents not assigned to districts will be employed on special service.

Agents assigned to districts will be transferred from one district to another as frequently as the exigencies of the service may require; and any agent may at any time be detailed for special service, and should hold himself in readiness at all times to be ordered to any part of the United States or Territories, without previous notice.

GENERAL INSTRUCTIONS.

The first duty of a revenue agent is to thoroughly familiarize himself with the laws and regulations relating to the internal-revenue service. For this purpose he should consult Title 35 of the Revised Statutes, "Internal Revenue," and the internal-revenue laws enacted since that revision, which are now embraced in the volume of "Internal-Revenue Laws, compilation of 1879," also the regulations of this office, the most important of which are the following:

Series 7, No. 2.—Relating to the accounts of internal-revenue officers.

Series 7, No. 3.—Relating to legacies and successions.

Series 7, No. 6.—Relating to fermented liquors.

Series 7, No. 7, with two supplements.—Relating to distilled spirits.

Series 7, No. 8.—Relating to tobacco, snuff, and cigars.

Series 7, No. 10.—Relating to stamp-duties, bank-checks, drafts, &c., articles in Schedule A.
Series 7, No. 11.—Instructions to gaugers.

The attention of revenue agents is especially called to the following provisions of law, all of which are applicable to them:

Section 3163, as amended March 1, 1879: Every collector within his collection district and every internal-revenue agent shall see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and shall aid in the prevention, detection, and punishment of any frauds in relation thereto. And it shall be the duty of every collector and of every internal-revenue agent to report to the Commissioner in writing any neglect of duty, incompetency, delinquency, or malfeasance in office of any internal-revenue officer or agent of which he may obtain knowledge, with a statement of all the facts in each case, and any evidence sustaining the same.

Section 3177, as made applicable to revenue agents by act of March 1, 1879: Any collector, deputy collector, inspector, *or internal-revenue agent* may enter in the daytime, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as it may be necessary, for the purpose of examining said articles or objects, and any owner of such building or place, or person having the agency or superintendence of the same, who refuses to admit such officer or *agent*, or to suffer him to examine such article or articles, shall, for every such refusal, forfeit five hundred dollars. And when such premises are open at night, such officers or *agents* may enter them while so open, in the performance of their official duties. And if any person shall forcibly obstruct or hinder any collector, deputy collector, inspector, or *agent*, in the execution of any power and authority invested in him by law, or shall forcibly rescue or cause to be rescued, any property, articles, or objects, after the same shall have been seized by him, or shall attempt or endeavor so to do, the person so offending, excepting in cases otherwise provided for, shall, for every

such offence, forfeit and pay the sum of five hundred dollars, or double the value of the property so rescued, or be imprisoned for a term not exceeding two years, at the discretion of the court.

Section 3277, as made applicable to revenue agents by act of March 1, 1879: On the demand of any internal-revenue officer, or *internal-revenue agent*, every distiller or rectifier shall furnish strong, safe, and convenient ladders of sufficient length to enable the officer to examine and gauge any vessel or utensil in such distillery or premises; and shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all casks, barrels, and other vessels not under the control of the revenue officer in charge, under a penalty of five hundred dollars for every refusal or neglect so to do.

Section 3286, as made applicable to revenue agents by act of March 1, 1879: Whenever any officer or *internal-revenue agent* requires the water contained in any worm-tub in a distillery, at any time when the still is not at work, to be drawn off, and the tub and worm cleansed, the water shall forthwith be drawn off, and the tub and worm cleansed by the distiller, or his workmen, accordingly; and the water shall be kept and continued out of such worm-tub for the period of two hours, or until the officer or *agent* has finished his examination thereof. For any refusal or neglect to comply with any provision of this section, the distiller shall forfeit the sum of one thousand dollars; and it shall be lawful for the officer or *agent* to draw off such water, or any portion of it, and to keep the same drawn off for so long a time as he shall think necessary.

Section 3318 requires every rectifier and wholesale dealer to keep a book in such form as may be prescribed by the Commissioner of Internal Revenue, and this section, as made applicable to revenue agents by the act of March 1, 1879, requires that every such book shall be at all times kept in some public or open place on the premises of the rectifier or wholesale dealer for inspection, and any

revenue officer or *internal-revenue agent* may examine it, and take abstracts therefrom; and whenever any rectifier or wholesale dealer hinders or obstructs any internal-revenue officer or *agent* from examining such book, or making any entry therein, or taking any abstracts therefrom, he shall pay a penalty of one hundred dollars, and shall [on conviction] be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than three years.

SEC. 3169. Every officer or agent appointed and acting under the authority of any revenue law of the United States—

First. Who is guilty of any extortion or wilful oppression under color of law; or,

Second. Who knowingly demands other or greater sums than are authorized by law, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or,

Third. Who wilfully neglects to perform any of the duties enjoined on him by law; or,

Fourth. Who conspires or colludes with any other person to defraud the United States; or,

Fifth. Who makes opportunity for any person to defraud the United States; or,

Sixth. Who does or omits to do any act with intent to enable any other person to defraud the United States; or,

Seventh. Who negligently or designedly permits any violation of the law by any other person; or,

Eighth. Who makes or signs any false entry in any book, or makes or signs any false certificate or return, in any case where he is by law or regulation required to make any entry, certificate, or return; or,

Ninth. Who having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to his next superior officer and to the Commissioner of Internal Revenue; or,

Tenth. Who demands, or accepts, or attempts to collect, directly or indirectly, as payment or gift, or other-

wise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do, shall be dismissed from office, and shall be held to be guilty of a misdemeanor, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years. The court shall also render judgment against the said officer or agent for the amount of damages sustained in favor of the party injured, to be collected by execution. One-half of the fine so imposed shall be for the use of the United States, and the other half for the use of the informer, who shall be ascertained by the judgment of the court.

SEC. 3167. If any collector or deputy collector, or any inspector, or other officer, *or any internal-revenue agent*, acting under the authority of any revenue law of the United States, divulges to any party, or makes known in any other manner than may be provided by law, the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, he shall be subject to a fine of not exceeding one thousand dollars, or to be imprisoned for not exceeding one year, or to both, at the discretion of the court, and shall be dismissed from office, and be forever thereafter incapable of holding any office under the Government.

SEC. 3168. Any revenue officer *or internal-revenue agent* who is or shall become interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, or in the production, rectification, or redistillation of distilled spirits, shall be dismissed from office; and every officer *or agent* who becomes so interested in any such manufacture or production, rectification, or redistillation, or in the production of fermented liquors, shall be fined not less than five hundred dollars nor more than five thousand dollars.

SEC. 3171. If any officer *or internal-revenue agent*, appointed under and by virtue of any act to provide internal revenue, or any person acting under or by authority of any such officer, shall receive any injury to his person or property, in the discharge of his duty, under any law of the

United States for the collection of taxes, he shall be entitled to maintain suit for damage therefor, in the circuit court of the United States, in the district wherein the party doing the injury may reside or shall be found.

Revenue agents are reminded that they have no power, as such, to make seizures or arrests. Seizures are usually to be made by collectors or their deputies, and arrests by the United States marshal or his deputies.

When, in investigating cases of fraud, it is found necessary to summon parties to testify, or to produce books or papers, agents will make application to the proper collector of internal revenue for that purpose, the powers in this regard formerly exercised by the supervisors having been conferred by law upon collectors.

Agents must endeavor at all times to work in harmony with collectors, and to avoid all occasion for conflict or ill-feeling.

When agents discover violations of the law, they will, when circumstances admit, take measures to have a local officer inform himself of all the material facts sufficiently to enable him to be a competent witness in the case. Such a course will many times relieve agents from the necessity of travelling long distances and leaving important work for the purpose of testifying, which is often a serious embarrassment to the service; and the interests of the Government will be sufficiently protected thereby in a majority of cases, especially in the minor offences.

The examination of collectors' offices will be made by special detail from this office, and agents assigned to districts will not be expected to make a formal examination of a collector's office, unless specially authorized to do so. Where circumstances may appear to require action without delay, agents will telegraph to this office for authority to make such examination.

Full directions for the *examination of collectors' offices* are printed in another place.

Agents will be required to closely observe the manner in which the local officers of internal revenue discharge their duties, and any official neglect or malfeas-

ance coming to their knowledge should be immediately reported to this office.

Instructions for the *inspection of officers* are printed elsewhere.

As it is presumed that agents will be absent the most of the time from their home or station address, they should make arrangements to have official letters promptly forwarded to them during their absence, and also should keep this office informed, as often as possible, where communication can be had with them by telegraph.

REPORTS BY REVENUE AGENTS.

Revenue agents will make a tri-monthly diary report of their operations (on the 10th, 20th, and last day of each month) to this office. This report will invariably be required, and if omitted the pay of the agent so delinquent will be suspended until the report is received. The report for the last ten days in each month should therefore always accompany the agent's monthly bill.

The making of this diary report must not be considered as obviating the necessity of a separate report on every subject requiring action by this office. Separate reports must not only be made in all such cases, but agents are particularly requested not to include in their diaries matter in answer to letters received or calling for additional correspondence. In short, the diary must be a brief and simple record of the occupations of each day, and is to be used for a special purpose.

A report giving the occupation from one date to another, inclusive, will not be considered a compliance with this regulation, although the agent may have been continuously employed on a single object. Each day must be reported separately.

In addition to the above, there will be required from agents a monthly report of seizures made and persons arrested at their request or upon their information; of unpaid taxes, (with the penalty incurred,) and of all violations of the internal-revenue law by them discovered. This report will embrace the estimated value of property seized, the kind and amount of unpaid taxes discovered,

and the nature of violations of law reported, and must be made regularly under all circumstances. Blanks for this report are furnished to agents.

The attention of internal-revenue agents is specially called to the ninth clause of section 3169, Revised Statutes, herein printed. This section imposes a severe penalty upon any officer or agent of internal revenue, who having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to his next superior officer, and to the Commissioner of Internal Revenue.

Attention is also called to section 3164, requiring collectors to report all violations of law within ten days to the United States district attorney, and in all cases where legal proceedings are to be commenced, revenue agents must report violations discovered by them immediately to the collector, giving the details of the offence in as complete a manner as possible in order to enable such collector to comply with that part of the statute requiring him to state all the facts and circumstances, and the names of witnesses.

Revenue agents will also report all violations of law or irregularities discovered by them to the collector of internal revenue in whose districts they occur, as well as to the Commissioner of Internal Revenue, except where there may be reasons for reporting to the Commissioner alone. It will be seen that it is not the duty of the agent to report violations of law directly to the United States attorney, but he is expected to give that officer all the information that may be required of him in such cases.

Agents are expected to examine spirits in warehouse and on the market, to determine the correctness of the original gauge. Whenever any discrepancy is found to exist between the actual contents and the contents as shown by the marks and brands upon the package, a detailed report of the same should be sent to this office on Form 89. This form should be accompanied by a special report, stating where and in whose possession the spirits were found, whether or not there are indications that the

original contents have been tampered with, and all other facts which may tend to show whether the difference in the contents of the package and condition of the spirits is due to natural or artificial causes; also what disposition has been made of the same.

Whenever a revenue agent has assigned to him a person to be employed by him in discovering frauds, who performs continuous services for a period of ten days or more in any one month, he will require such person so employed to render to him at the end of his service, or at the end of each month, a report stating briefly how and where he was occupied each day for which he claims salary or expenses during the month. Upon its receipt by him the revenue agent will immediately forward the report to this office. Compensation will not be allowed in such cases until these reports are received.

When cases of compromise are referred to agents for report, they will in cases of importance be expected not to rely on the report of the collector, but will possess themselves of all the facts, and give their opinions independently of the judgment of that officer.

SALARY AND EXPENSES OF INTERNAL-REVENUE AGENTS.

The compensation of agents is fixed in their warrants of employment, and whenever it is changed a new warrant is issued. The accounts for services should be rendered on Form 54. The days employed on official duty should be designated, and care must be taken that the oath is executed and the receipt signed in blank.

No per-diem allowance for Sundays will be made to internal-revenue agents except under extraordinary circumstances, and special authorization be given for such employment.

Accounts for expenses will be rendered monthly on Form 132. These accounts will be carefully scrutinized, and all charges which appear to be extravagant or unnecessary will be disallowed.

Hotel-expenses or bills for board will not be allowed to revenue agents at their proper stations or places of residence, unless peculiar circumstances seem to warrant a

special allowance. No greater sum than three dollars ($3) per day will be allowed for hotel-bills for a period exceeding fourteen days in each month in any one city or town.

It must not be understood that three dollars ($3) per day will be allowed for hotel-bills in all cases exceeding fourteen days. That sum is the maximum allowance for the period named, and must include all hotel-charges.

It is known that board can now be procured at less than the regular rates at most of the hotels in the country by persons who are frequent guests at the same house. It is expected that when agents remain in the same city or town for a continuous period of ten days or more they will arrange for board at special rates, and that in all their expenditures they will practice the same economy which a prudent business man would exercise in his ordinary travelling expenses.

Private carriages and hacks should be used only in cases of necessity, and in cities it is expected that street-cars and omnibuses will be the means of conveyance usually employed.

Charges for parlor-cars will not be allowed except on continuous journeys of twenty-four hours or more.

TELEGRAMS.

Charges for telegrams will be allowed at Government rates only, and agents are reminded that they should not use this means of communication except in cases of urgency and importance.

This office transacts its business by mail, and all telegrams sent to this office for the personal benefit of taxpayers or internal-revenue officers, must be prepaid by the party benefited, and the answer returned from this office to such despatches will be marked "*collect;*" the intention being that the party benefited shall pay for it, and not the United States.

Telegrams to this office upon official business (not of a personal nature) should be sent only when demanded by the urgency of the business, and then at Government rates, marked "*collect.*" The answer, if properly chargeable to the United States, will be marked "*charge this*

office," and should not be paid for by the officer.—(Series 7, No. 2, page 9, and Special No. 170.)

EXPENSE ACCOUNTS—HOW RENDERED.

All expense accounts must be itemized, as indicated on the form, and the account must be supported by vouchers for all the expenditures charged exceeding one dollar, except for fares by public conveyance. These charges must show the places from which to which fares are charged. Vouchers for hotel or board-bills must state the number of days, or fractions of days, and rates per day, charged. Livery-bills must show the distance travelled, the time occupied, and the object of the journey. All vouchers must be properly receipted and numbered consecutively. Attention is called to the instructions concerning accounts printed on Forms 54, 131, and 132.

Monthly bills which are not rendered in accordance with the instructions of this Department, will be returned for correction.

Agents will bear in mind that their monthly bills for services and expenses will not be approved until the trimonthly diary reports have been rendered as required.

MISCELLANEOUS EXPENSE ACCOUNTS.

When a revenue agent has made any expenditure under an allowance made from the special appropriation "for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, (section 3463, Revised Statutes,) he must render an account for reimbursement on Form 131. This account should embrace all expenditures for the detection of frauds other than personal expenses, and must be supported by sub-vouchers for all charges exceeding one dollar. If it is for the employment of any person, or persons, it must be accompanied by a voucher for per-diem compensation on Form 10, duly sworn to, and by vouchers for all other expenses of the person employed (when authorized) in the usual form. A copy of the Commissioner's letter authorizing the expenditure must, in all cases, accompany the bill.

Such accounts must be rendered at the close of the month in which the expenditure is incurred, or if that is impracticable, as in case of an organized movement against illicit distillers which may embrace a portion of two months, they should be forwarded as soon as possible after the expenditure is made.

Agents are reminded that they should make no expenditure to be paid from this appropriation until authorized so to do. A copy of the letter authorizing the expenditure must be transmitted with the account.

When a fixed sum has been allowed to an agent for a definite time the expenditures during that period must not exceed the allowance. If the allowance is found to be inadequate, this office should be so informed, and application made for the sum required. No allowance, unless specially made for that purpose, can be used to cover an expenditure already made, or liability previously incurred.

Collectors and agents will bear in mind that no payments can be made from the appropriation above-named to any general or special deputy collector, or for any services or expenses which are otherwise provided for by law.

OFFICIAL ENVELOPES AND STATIONERY.

Official envelopes, with red lines drawn under the address, which revenue agents are required to use for all correspondence with this office, will be furnished, together with other necessary stationery, on application to the Commissioner.

If any person shall make use of any such official envelope to avoid the payment of postage on his private letter, package, or other matter in the mail, the person so offending shall be deemed guilty of a misdemeanor, and subject to a fine of three hundred dollars, to be prosecuted in any court of competent jurisdiction.—*Section 5 of act establishing post-roads, and for other purposes, approved March* 3, 1877.

Any officer or employé of this Department, or bureau, or office therewith connected, who shall make use of the envelopes furnished for official purposes to avoid the payment of postage on his private letter, package, or other

matter in the mail, shall, in addition to the penalty prescribed in section 5, be liable to dismissal from the service.—(*Department Circular, No.* 54.)

Agents in corresponding with this office must use in all cases envelopes with a red or blue line drawn under the address. They must be careful to embrace but one subject in each letter. *In replying to any letter from this office the marginal initials appearing on the same must be referred to. All letters sent by them to this office must be briefed and endorsed.*

WITNESS-FEES.

When fees are received by a revenue agent, for attendance as a witness in behalf of the Government, before any United States court, he will file with his monthly expense account for the month in which such fees are received by him, a certificate of the marshal or other officer of the court paying the same, setting forth the amount paid as mileage or travelling expenses, and the amount of per-diem attendance, also the title of the suit, indictment, complaint, or proceedings if *in rem*, and the date or dates of attendance for which the fees are paid.

GENERAL DUTIES OF AGENTS.

POLICING DISTRICTS.

In consequence of the limited number of revenue agents provided by law, the territorial extent of the districts is much greater than would otherwise be prescribed. To properly police his district, therefore, will require from the agent the utmost energy, industry, and vigilance of which he is capable. He will be expected to be thoroughly familiar with the internal-revenue laws, the regulations of this office, the method of collecting and depositing amounts collected. the powers and duties of officers, and the construction and operation of distilleries, rectifying-houses, breweries, and tobacco and cigar manufactories. Especially will he be expected to be thoroughly acquainted with the appearance and contents of all revenue

stamps and the methods of cancellation, and he should become so expert in their examination as to readily detect any frauds that may be attempted by the use of the counterfeits or the reuse of genuine stamps.

It is not expected that agents will devote their time to the discovery of cases of non-payment of special tax. This is a matter which especially belongs to deputy collectors in their respective divisions, and for which they will be held strictly accountable; but in going about their districts, agents will take measures to ascertain whether or not the divisions have been thoroughly canvassed, and special taxes faithfully collected, and any laxity on the part of the local officers in this respect that is observed must be promptly reported.

VISITING DISTILLERIES.

As soon as a revenue agent is assigned to a district, he should carefully examine each distillery therein, and forward to this office a report of its condition on Form 19, but reports on that form are not required at each monthly visit of the agent to the distilleries once reported upon by him.

Whenever during those visits any change of condition or irregularity is discovered, or neglect or dereliction of duty by the storekeeper or gauger is observed, he should promptly report it.

In cases of change of construction or proprietorship, or when a distillery which has been under suspension resumes, or a new distillery registers for use, an examination should be made as soon as practicable after operations commence, and a report forwarded on the prescribed form.

Full instructions on all subjects pertaining to "*Distilled Spirits*" are given hereinafter under that heading.

LIQUOR-DEALERS.

Wholesale liquor-dealers should be visited by the agents as often as possible, and their stock and premises care-

fully examined to see that they are complying in all respects with the law and regulations. Especial attention should be devoted to the manner in which wholesale liquor-dealers' stamps are obtained and used, and to see that the proper record is kept by collectors, and to ascertain that the wholesale liquor-dealers' book, Form 52, is kept up to date; also what disposition is made of empty spirit-casks, and whether all stamps and brands are effaced therefrom. The stock of spirits should be examined to see if it is all stamped and marked according to law.

Retail liquor-dealers must be kept under as strict surveillance as possible, particularly with regard to their disposition of empty spirit-casks and the stamps thereon. It is believed that the reuse, by distillers and rectifiers, of stamps taken from empty casks and returned to them by the dealers emptying the same, is practiced to a considerable extent.

The receipts and shipments of distilled spirits at railroad stations and steamboat landings, must be frequently inspected, and these receipts and shipments compared with those recorded on the books (Form 52) kept by distillers and wholesale liquor-dealers.

RECTIFYING-HOUSES.

These establishments should be frequently visited and care taken to ascertain that they are constructed and operated according to law. It is specially important to see that the balance claimed by the rectifier is based on his actual dumpings of spirits, and that no means exist by which he can procure rectifiers' stamps to cover illicit spirits.

A blank has been prepared for the examination of rectifying-houses by deputy collectors, and agents should see that their condition is frequently reported to the collector on said form. Any irregularities discovered must be promptly reported to this office.

ILLICIT DISTILLERIES.

Under this head are embraced distilleries operating without giving the proper notice to the collectors and in defiance of the law. These are to be looked for in all parts of the United States, but are particularly numerous in the mountain ranges of the Southern States. They are also to be found in subterraneous localities, or otherwise concealed in large cities.

The work of suppressing illicit distillation has been committed, especially in the Southern States, to collectors and their deputies. Liberal allowances from the appropriations have been made to collectors, to be used for the purpose of discovering and seizing stills illicitly operated, and the results have justified the course pursued. This evil, however, has not yet been extirpated, and each year the revenue suffers serious loss on account of the illicit production of spirits in unregistered distilleries.

While collectors are expected to suppress frauds of this character, the revenue agents whose divisions embrace collection districts infested with illicit distillers are not relieved from the responsibility imposed upon them to see that all internal taxes are faithfully collected, and the laws and regulations in regard to the same are enforced. They should know in which of the districts under their supervision, and to what extent this unlawful business is carried on. They should endeavor to ascertain the location of the stills, and all the information obtained in regard to them should be immediately communicated to the collector and to this office, and measures should be taken to seize all property liable to forfeiture, and to secure the arrest of the offenders. If the collector fails to take prompt and vigorous action for the discovery and seizure of stills illicitly operated in his district, the fact should be reported to the Commissioner. Whenever a force is organized in any district for the seizure of illicit stills, and the exigencies of the service will admit of it, the agent should accompany the force to see that the work is effectively done and the best results accomplished. If he is an active, energetic, and discreet officer, his presence will contribute much towards the success of the movement.

The attention of revenue agents is called to the provisions of law in relation to the disposition of stills seized for violations of internal-revenue law, (section 3332, as amended by act of March 1, 1879.) When a judgment of forfeiture, in any case of seizure, is recovered against any distillery used or fit for use in the production of distilled spirits, because no bond has been given, or against any distillery used or fit for use in the production of spirits, having a registered producing capacity of less than one hundred and fifty gallons a day, for any violation of law, of whatever nature, every still, doubler, worm, worm-tub, mash-tub, and fermenting-tub therein shall be so destroyed as to prevent the use of the same or of any part thereof for the purpose of distilling; and the materials shall be sold as in case of other forfeited property. And in case of seizure of a still, doubler, worm, worm-tub, mash-tub, fermenting-tub, or other distilling apparatus, having a less producing capacity than one hundred and fifty gallons per day, for any offence involving forfeiture of the same, where said apparatus shall be of less than five hundred dollars value, and where it shall be impracticable to remove the same to a place of safe storage from the place where seized, the seizing officer is authorized to destroy the same only so far as to prevent the use thereof, or any part thereof, for the purpose of distilling: *Provided*, That such destruction shall be in the presence of at least one credible witness, and that such witness shall unite with the said officer in a duly sworn report of said seizure and destruction, to be made to the Commissioner of Internal Revenue, in which report they shall set forth the grounds of the claim of forfeiture, the reasons for such seizure and destruction, their estimate of the fair cash value of the apparatus destroyed, and also of the materials remaining after such destruction, and a statement that, from facts within their own knowledge, they have no doubt whatever that said distilling apparatus was set up for use and not registered, or had been used in the unlawful distillation of spirits, and that it was impracticable to remove the same to a place of safe storage. Within one year after such destruction the owner of the apparatus so destroyed may make application to the Secretary of the

Treasury, through the Commissioner of Internal Revenue, for reimbursement of the value of the same; and unless it shall be made to appear to the satisfaction of the Secretary and the Commissioner that said apparatus had been used in the unlawful distillation of spirits, the Secretary shall make an allowance to said owner, not exceeding the value of said apparatus, less the value of said materials as estimated in said report; and if the claimant shall thereupon satisfy said Secretary and Commissioner that said unlawful use of the apparatus had been without his consent or knowledge, he shall still be entitled to such compensation, but not otherwise. And in case of a wrongful seizure and destruction of property under the foregoing provisions, the owner thereof shall have right of action on the official bond of the officer who occasioned the destruction for all damages caused thereby.

SEIZURE AND DESTRUCTION OF ILLICIT STILLS.

Whenever the still which has been seized is destroyed in accordance with the foregoing provision of law, the officer who seized and destroyed the property will immediately make a report of the same, in duplicate, on Form 161, one copy of which will be sent to the Commissioner of Internal Revenue through the collector, and the other will be filed in the office of the collector of the district in which the seizure was made. This report must be signed by the officer who seized and destroyed the property, and by at least one credible witness, and sworn to before the collector or a deputy of the district in which the destruction took place, or before some other officer duly authorized to administer oaths. A monthly report of illicit stills seized, persons arrested, &c., is to be made by the collector to the Commissioner of Internal Revenue on Form 162.

INSPECTION OF OFFICERS.

Revenue agents assigned to districts will make inspections of the character and efficiency of internal-revenue officers and employés in each collection district in their respective divisions.

Collectors will furnish to inspecting officers, upon application, complete lists of all officers and employés of their districts, stating the duty to which each person is assigned, together with the subdivisions of their districts.

The inspection will embrace collectors, deputy collectors, collectors' clerks, storekeepers, gaugers, storekeepers and gaugers, and tobacco inspectors. The inspecting officer will submit to the collector the printed interrogatories, require him to answer them in writing, and will return the same with his report, but he will not be expected to examine the collector personally as to his knowledge of law and regulations. He will, however, inform himself in relation to the manner in which he performs his duties and regarding his efficiency as an officer.

He will be required to visit all the other officers in the district under inspection, and personally examine them as to their qualifications and general fitness for the positions they hold.

He should first examine the officer as to his knowledge of internal-revenue laws and regulations, and particularly as to his familiarity with those branches of the service and regulations which are especially applicable to the duties to which he is assigned.

For this purpose the questions prepared for the use of inspecting officers, and issued September 27, 1878, may be used, or other questions, which will readily suggest themselves to experienced officers, may be framed and put to the person under examination. The answers may or may not be required in writing, as the inspector elects. This part of the examination should be thorough, with a view to determining how well informed the person is in regard to his official duties, his capacity for acquiring knowledge and applying it, and to instruct him wherein he may be deficient.

The questions should be of a practical nature, such as an officer of average intelligence and fair opportunity for information would be expected to answer. No abstruse propositions or "catch-questions" should be propounded.

After completing this examination, the inspector should visit the places of business of manufacturers subject to the

requirements of the internal-revenue laws, with the deputy or other officer responsible for the same, and carefully examine the books, stock, and condition of affairs, for the purpose of determining whether or not the officer is efficient in the discharge of his duties. He should also take pains to ascertain if special taxes are collected, the district thoroughly policed for the discovery of violations of internal-revenue laws, and whether the laws and regulations are in all respects complied with.

In the case of a gauger, he should see him at work and observe if he strictly follows the law and regulations governing that branch of the service, and if he himself is sufficiently skilled in gauging to do so, he should test the gauger's work.

Distilleries in all cases, when practicable, should be visited, and examination of the storekeeper assigned thereto should be made there. The manner in which the storekeeper discharges his duty should be carefully noted, and for this purpose a critical examination of the distillery should be made. Particular pains must be taken to see if the storekeeper is vigilant and on duty all the hours required.

The duties performed by clerks should be inquired into, and their work examined to ascertain if they are qualified, and if they render adequate service for their compensation.

The inspector will take measures to inform himself as to the habits and standing in the community of all the officers in the district; and, in this connection, he is reminded that he must not shield the unworthy or permit injustice to be done to worthy officers. It is expected that the report will present a just and fair estimate of the standing of every officer, and a correct statement of the condition of the district upon which this Office can rely, and take such action as may be necessary. The report will be made as indicated by the different divisions and subdivisions thereon. Each column will, after the inspection is completed, be filled by the inspector thus:

For instance, under "employment," if a deputy, "assigned to division," "cashier," or "office-work," as the case may be; under "habits," "good," "bad," or "doubtful;"

under "standing in community," "good," "fair," or "bad," &c.

The standing of the officer and district will be determined on a scale of ten, called in the report "scale of merit." If the officer is perfect in any one subject he will be marked ten; if totally deficient, he must be marked zero; if nearly perfect, nine; if nearly deficient, one, &c. A separate entry must be made under each qualification. The average will be arrived at by adding together the marks under the several sub-divisions and dividing the sum by the number of qualifications reported on.

The rank in intelligence, education, knowledge of duty, and familiarity with law will be determined by the personal examination of the officers. The rank in business capacity, efficiency, attention to duty, vigilance, fidelity, and energy will be determined from the examination of the places of business of tax-payers, together with the general condition of all branches of the service for which the officer in question is responsible.

The condition of the district necessarily depending upon the character of its officers for efficiency, knowledge of and attention to duty, vigilance, and fidelity; and as these characteristics are ascertained from the examination of the officers and the inspection of affairs in their respective divisions, or for which they are responsible, the official standing of the district can be determined from the average qualification of all its officers, and will be divided into five classes on a scale of ten, as follows:

1st class—8 to 10, inclusive, excellent; perfect, or nearly so.

2d class—6 to 8, good, but not quite perfect.

3d class—4 to 6, fair, but much room for improvement.

4th class—2 to 4, not good; many irregularities.

5th class—0 to 2, bad; requires immediate attention.

This standing will be arrived at as follows: Find the average of each class of officers, add these averages, divide that sum by the number of classes, and the quotient will be the average standing of the district.

A first-class district may be briefly stated to be one which is thoroughly and effectively organized, and carefully canvassed for the collection of all internal-revenue

taxes; where the laws for the prevention and punishment of fraud upon the internal revenue are firmly and discreetly enforced; where all subordinate officers are well instructed, and are found to be zealous, industrious, honest, and efficient in the discharge of their duties; where the tax-payers are informed of the requirements of law governing their business, and compliance therewith is exacted of them; where the entries in the books required to be kept by manufacturers and dealers are correctly and promptly made and their reports seasonably rendered; and where the collector gives his personal attention to all his official duties, and the affairs of the district are so administered that a faithful and prompt collection of taxes is secured, with due consideration for the convenience and interests of tax-payers, and with a view to public economy.

The inspecting officer will be required to fully answer all the interrogatories as to the collector, and under the head of "condition of district," on the printed form. He will also make such remarks in regard to the condition of the district as he may think proper, and, when necessary, will accompany the form with a special report.

In all cases where officers are found to be uninformed they should be carefully instructed, and their attention called to the law and regulations governing the case.

Inspecting officers are especially enjoined to report to this office any neglect of duty or abuse of authority by revenue officers.

Inspecting officers will understand that the inspections provided for are intended as a means for enlightening the uninformed, of making diligent the slothful, of weeding out the dishonest and unfaithful, and of recognizing the honest, intelligent, and diligent officer. The Government is entitled to the services of honest, capable, diligent, and sober men, and inspecting officers are required to make their inspections and reports thorough and complete, without fear, favor, or prejudice, and in a manner not to offend fair-minded persons, so that this office will be advised as to the standing of all its subordinates.

The report upon each collection district should be forwarded as soon as the inspection is completed.

OFFICIAL STANDARD OF OFFICE TO BE DETERMINED BY EXAMINATION.

Six grades have been established for collectors' offices. In order that there may be uniformity in reporting the result of examinations, the "*official standard*" for the *highest* grade is announced as follows:

First. Where the officers are honest, capable, and faithful.

Second. Where the collector devotes his best energies to the proper organization and discipline of his clerical and division force, and uses every endeavor to collect all the taxes due the Government.

Third. Where every subordinate manifests pride in his position, and ambition to excel in his line of duty.

Fourth. Where no errors or discrepancies are found in the cash or stamp account.

Fifth. Where all the entries are made before the close of each day's business, cash balanced, and books and packages of stamps sold from during the day verified.

Sixth. Where every possible effort is made to promptly dispose of each item on the lists.

Seventh. Where all bonds are properly executed, approved, recorded, and filed.

Eighth. Where the penalties are collected, compromise cases promptly reported, and money properly deposited.

Ninth. Where the office is furnished with a view to the preservation of public records, the facilitating of business, and in a manner suitable and becoming the purpose for which it is used.

Tenth. Where every record is completed to date, and is without erasures, blots, or any defacement.

Eleventh. Where the "Internal-Revenue Record" and the lists are bound, and letter-books and circulars indexed.

Twelfth. Where everything presents the appearance of a first-class business office.

Thirteenth. Where the deputies in charge of stamps are supplied with the proper records, their books, accounts, and stamps in perfect order, and *stamp* and *cash* account verified by the collector at least once each quarter.

It will be observed that the "official standard," as

stated above, refers principally to the interior organization and administration of the collector's office, and the grade is determined mainly from the condition in which his accounts and records are found to be. The grade of the office may be reported as first class while the condition of the district may be entirely unsatisfactory.

The condition of the district is determined from the reports of inspecting officers and examinations of the service outside of the office.

EXAMINATION OF COLLECTORS' OFFICES.

The accounts of collectors and such of their deputies as have a money responsibility will be examined by agents detailed for that purpose and assigned to that duty by special orders of the Commissioner.

Agents in charge of districts will not be expected to make a formal examination of collectors' offices unless specially directed and authorized so to do.

Whenever an agent has reason to believe that the interests of the public service demand an immediate examination of a collector's office, he will without delay advise this office by telegraph and ask for instructions.

Agents assigned to the duty of examining collectors' accounts will make such examinations only as are directed by the Commissioner. It is the intention to have the accounts of each collector in the country examined as often as once a quarter, and to so arrange assignments that each examination during the year will be made by a different agent. The object of these examinations is primarily to ascertain if the public money intrusted to collectors has been promptly and accurately accounted for to verify the reports and returns made to this Office, and thus to determine as to the fidelity and integrity of the collector, and, secondarily, to inspect the condition of the office-records; to ascertain the business qualifications of the collector and his subordinates, to see that the districts are properly organized, that the affairs of the office are conducted in an economical manner with a view to

the faithful collection of the revenue, and with a proper regard to the rights and convenience of tax-payers.

To intelligently and satisfactorily perform this duty the agent must be thoroughly acquainted with the regulations governing the accounting division of this Office, and the details of a collector's office. The system of collecting and accounting for internal-revenue taxes is so simple, complete, and exact, that a familiarity with it, together with a fair knowledge of accounts, will enable any examining officer who carefully performs his work, to readily detect any discrepancy, error, or irregularity in the accounts, returns, or reports of a collector or deputy collector.

In the examination of a collector's office, the first thing to be done is to definitely fix the money liability of the collector at the time the examination is commenced. For this purpose the record of collections and deposits should be examined and verified by certificates of deposit; if there appears to be a balance of cash in the hands of the collector this should be counted and the amount of collections for the month as shown by the certificate of deposit and cash on hand should be noted. The report should show the condition of the office at the close of the business-hours of the day in which the examination was made. The liability of the collector for stamps and lists on the first day of the current month should be ascertained from the reports in the office and taken as the basis of the examination. Sales of stamps and collections on lists during the month will be ascertained, and the stamps and coupons on hand will then be accurately counted. Every stamp in the office, whether in broken or unbroken packages, and all stamps and coupons in books must be counted by the agent himself. He cannot delegate this work to any other person.

In order to verify the account, the number of stamps received as per invoice during the current month, the stamps and coupons "in transitu," or returned to the Commissioner as per receipt, the stamps and coupons in the hands of deputies and gaugers, and (under the head of spirit-stamps) the sales uncollected from last month will be noted. The account of stamps received per invoice

will be verified by examination of the invoice. The account of stamps and coupons returned to the Commissioner will be verified by the original receipt of the Commissioner. The account of stamps "in transitu" should be compared with the retained copy of the collector's letter transmitting the same. The account of stamps and coupons reported in the hands of deputies should be verified (previous to visiting the deputy) by the receipts for the same and reports on Form 102. Sales reported will be compared with the corresponding entries in the daily record of stamps sold; collections on lists compared with the daily record of collections on lists; and all collections reported for the month will be compared with the daily record of collections and deposits. Advance collections on lists should be verified by an examination of the lists and record of daily receipts.

The collections from sales of stamps and on lists during the day on which the examination is made will be included in the total collections for the month, and accounted for either in deposits or cash on hand as the case may be.

The report showing the condition of the office will be made on the prescribed form. All discrepancies in the stamp account must be explicitly enumerated in numbers and denominations, and excess or deficit in cash will be distinctly stated. If the collector has in his possession any documentary or proprietary stamps they should be counted and the result stated in the manner required on the form. Spirit (other than tax-paid) stamps will be included at their value in the report of spirit-stamps, and export-stamps for cigars and tobacco will be included at their value in the report of tobacco-stamps. All such stamps in the office of the collector must be counted. If there are any in the hands of the gaugers and tobacco-inspectors who are at a considerable distance from the collector's office, the office-account with such gauger or inspector may be taken for the verification of the report, but this fact must always be noted on the face of the report. To verify the account of tax-paid stamps, the entries in the "Daily record of tax-paid stamps sold" and the "Record of collections and deposits" should be compared with the "Daily record of entries and with-

drawals of distilled spirits from bonded warehouse" (Book No. 15) and with the retained copy of the distiller's "Entry for withdrawal of spirits upon payment of tax."

The account of sales of tobacco and cigar-stamps should be verified by comparing the orders of the manufacturers on Forms R, S, and T, with the "Daily record of tobacco and cigar-stamps sold;" especially should this comparison be made to verify sales reported during the day the examination is made. In cases where there is no United States depository in the town or city where the office is located, and collections appear to have been forwarded to the designated depository for which no certificate has been received, such amount should be vouched for by the receipt of the authorized express company by which the money was sent.

LISTS.

Lists must be carefully examined in connection with the daily record of collections thereon to see if all collections are noted. Where there are items held as "collectible," satisfactory reasons should be given for the delay in collecting them. Where there are taxes outstanding longer than six months the agent should require a special report from the collector in relation to the same on the form prescribed for this purpose. When the explanation is not satisfactory, or if the assessments are of such amount or nature as to create any suspicion that they may have been paid and not accounted for, the agent should visit the person against whom the assessment stands to ascertain whether the amount has been paid, and if not, whether any effort has been made to collect the same. The condition of each item "in litigation" should be examined and explanation demanded. The office of the district attorney should also be visited if possible, and the dockets of the courts consulted, to learn the status of each case reported "in litigation," and to determine the prospect of its final disposition.

CLAIMS PENDING ABATEMENT.

The records of the collector's office relating to "claims pending abatement" should be scrutinized to discover the condition of each claim.

The last correspondence with the Commissioner should be noted; and if any claim has been returned for correction, additional evidence, or investigation, the action of the collector should be stated. A full report of the condition of lists must accompany the "report of the condition of the office."

UNCOLLECTIBLE TAXES ABATED.

The record of "uncollectible taxes abated" must also be looked after, and means must be taken to ascertain whether effort is made to collect taxes thus abated and which may now be collectible. To this end deputies should be interrogated as to whether a schedule of such taxes assessed against persons in their divisions has ever been delivered to them, and if they have given such taxes any attention.

The abatement of a tax on the ground of its being uncollectible does not relieve the tax-payer of his liability thereto, and the collector should therefore exercise diligence to collect the same at subsequent periods.

Collectors must keep, in the book provided for the purpose, a complete and correct record of all taxes abated as uncollectible, and examine the same, from time to time, with a view to the collection of such of said taxes as may at any time be found to be collectible.

DEPOSIT OF COLLECTIONS.

All collections must be promptly deposited to the credit of the Treasurer of the United States, except as hereinafter stated. Where there is a United States depository in the same city or town where the collector's office is located, the certificate of deposit for each day should include all collections of that day except collections made after bank-hours, which should be included in the col-

lections and deposits of the day following. Such amounts may be readily verified from the entries or withdrawals of spirits, orders for tobacco or cigar-stamps on file, and entries in daily records. If deposits are not made daily and an unusually large amount of cash is found on hand, the examining officer will require an explanation in regard to the same. He will also be very particular to see where the public funds are kept before being deposited to the credit of the United States Treasurer, and that they are in no case used by the collector, or in any way mixed with his private funds. Attention is called to the disposition of moneys arising from the sale of forfeited property, or received as offers of compromise. Agents will be careful to see that funds which may have come into the hands of collectors from both or either of these sources, have been promptly deposited to the credit of the Secretary of the Treasury, and, in this connection, should examine the record of seizures kept by collectors.

The Secretary of the Treasury has directed, by circular issued from his office February 10, 1871, that collectors of internal revenue living in the same city or town with an assistant treasurer or designated depository, must deposit their receipts at the close of each day. Those at such a distance from a depository that daily deposits are impracticable must forward their receipts as often as they amount to one thousand dollars, and at least once in each month, without regard to the amount accumulated.

Moneys accruing to the United States from suits brought for violations of internal-revenue laws should be paid over by the clerks of the United States courts to the collectors of the respective districts in which the cases arise, to be by them included in and deposited with their other collections. In all such cases the collectors should furnish the clerk with receipts in duplicate, the original to be forwarded to the Commissioner of Internal Revenue, and the duplicate to be retained by the clerk and filed with the records of the court.

Section 797, as amended by act of March 1, 1879, makes it the duty of every clerk of a circuit or district court, at the close of each quarter, or within ten days thereafter, to

report to the Commissioner of Internal Revenue all moneys paid into court on account of cases arising under the internal-revenue laws, as well as all moneys paid on suits on bonds of collectors of internal revenue.

All collections must be deposited to the credit of the Treasurer of the United States, except moneys arising from sales made under section 3460, Revised Statutes U. S., and moneys received on offers in compromise prior to the acceptance of the offer, which must be deposited to the credit of the Secretary of the Treasury, and, while thus deposited, should not be reported on Forms 49 and 51.

Fines, penalties, and forfeitures are to be deposited to the credit of the Treasurer of the United States, as informers' moieties were abolished on and after August 1, 1872.

The "original" certificates of deposit should be forwarded immediately by the collector to the Secretary of the Treasury, the "duplicate" to the Commissioner of Internal Revenue, without letter, and not enclosed in any report or form, and the "triplicate" should be retained by the collector.

Money deposited to the credit of the Secretary of the Treasury should *not*, while thus deposited, be taken up on Forms 58, 22, 49, 51, 79, or any branch of the collector's account.

RECORDS.

All records required to be kept by the collector must be personally examined by the agent. This examination must be made in such a manner as to enable him to answer the interrogatories in the prescribed form upon his own information. To do this thoroughly and satisfactorily, it is suggested that agents take the catalogue of books required to be used by collectors, (Form 155,) and go through it in serial order, examining each book separately.

BONDS.

Bonds of distillers, and tobacco and cigar manufacturers, including transportation and export-bonds for spirits and tobacco, should always be examined to see if they are in

the required form, and if the sureties have justified on Form 33. Tests should be taken also, as far as possible, to determine the sufficiency of all the bonds on file in the collector's office. When the same sureties appear on several bonds inquiries should be made as to their responsibility for the entire amount for which they may become liable. Any neglect on the part of the collector to exercise proper care and due regard for the interests of the Government in the approval of bonds will be specially reported.

OFFICE-ROOM, ETC.

The location of a collector's office with reference to the convenience of tax-payers and the facilities for transacting public business should be inquired into and reported on. It is expected that the collector will conduct the public business with the same regard to economy that prudent business men exercise in their own private affairs, and while a suitable convenient office should be secured, expensive and unnecessary rooms will not be allowed. The allowance for rent should be determined by the rentals paid for private business purposes in the vicinity.

Where office accommodations can be had in public buildings, agents should so state, and where rooms are rented they should also report as to whether the allowance for rental, lights, and fuel is adequate.

Where a collector occupies rooms in a public building, the necessary furniture, cases, &c., are supplied by the Government. If his office is in a building leased by him for the purpose, for the rental of which he is allowed a fixed sum, furniture necessary and suitable for a public office should be supplied, and proper cases provided for the books, blanks, and stationery used in the office.

OFFICE-HOURS.

It is expected that collectors will in their office-hours conform to the business custom in the vicinity where their offices are located. The hours should be arranged so as to accommodate tax-payers, and in all cases the office

should be open for the transaction of public business from nine o'clock in the morning until four o'clock in the afternoon.

ORGANIZATION OF DISTRICTS.

Agents assigned to the duty of examining collectors' offices will be required to report upon the organization of each district visited. This will necessarily involve consideration of the annual allowance made to the collector for the collection of the revenue, and the manner in which it is expended, the number of deputies employed and the nature and extent of the duties of each, the subdivision of the district, and the character and efficiency of all employés. Whenever any of the officers or employés are found to be incompetent, inefficient, or are for any reason regarded as unsuitable for the position held, the examining officer will so report, giving fully the reasons for his opinion.

REPORTS AND RETURNS.

The examining agent will see if all the reports required to be made by the collector have been transmitted to the Commissioner within the time designated by the law and regulations. If he find any delay in this respect, he will take measures to satisfy himself whether there was sufficient cause for such delay, or whether it was the result of inattention to duty on the part of the collector or any of his subordinates. He will also observe the date of the receipt and transmittal of all the returns required from distillers, rectifiers, storekeepers, gaugers, brewers, tobacco and cigar manufacturers, banks and bankers, and the neglect by any tax-payer to make the required return, and on the part of the collector to forward the same, will be reported.

He will also ascertain if the collector transmits the proper schedule (Form 97 or 98) with each package of books of stamps, stubs, or coupons returned, and if a press copy of such schedule is retained. (For reports required, see Series 7, No. 2.)

Each collector should keep in his office an accurate list of the reports he is required to make to this office, and check off the same as soon as forwarded, in order that he may have tangible evidence that all reports due from him have been promptly filed, as the law provides that no payment shall be made to collectors until the Commissioner certifies that all reports due from them have been received, or that a satisfactory explanation has been given for the delay.

Collectors will retain in their offices a copy, or, in cases where a record is not prescribed for that purpose, a duplicate, of all accounts, schedules, abstracts, and vouchers which they send to this office.

DEPUTY COLLECTORS.

Having completed the examination of the collector's office, the agent will visit each deputy in the district who has any official money responsibility, and count all the stamps and coupons in his hands, verifying the account in the same manner, as far as practicable, as he did the accounts of the collector. Reports on Form 102 should be examined and the orders of manufacturers for stamps compared with the same. He must ascertain where the money arising from collections is kept, and see that it is promptly remitted to the collector as required by the regulations of this office. If practicable, the deputy should deposit directly with a depository in the name of the collector. In such cases the certificate should always be taken in the name of the collector for whom he is acting.

Copies of lists placed in the hands of deputies should be scrutinized and means taken to ascertain whether the deputy makes proper effort to collect all assessments intrusted to him, and accounts promptly for all collections on lists.

In no case should any of the original assessment-lists be placed in the hands of a deputy, but copies thereof, by divisions, should be prepared for their use, and the amount of taxes assigned to them for collection should be charged to them in full.

The collector should require each deputy, after he has

disposed of all the taxes on any list, to return the list so marked that it can be readily seen how each tax thereon was disposed of, and the taxes reported as uncollectible should be accompanied by the deputy's vouchers, in duplicate, on Form 53.

Collectors should never sign blank receipts on Form 1 for the use of their deputies. Each deputy should be provided with a book of receipts, and should be required to return the stubs to the collector as soon as the receipts in the books become exhausted.

Collectors should see that their deputies collect and return all unassessed penalties that the tax-payers are liable to for delinquencies.

For reports required to be made by deputy collectors, see Series 7, No. 2, page 47.

Collectors should require their deputies to account to them for their collections as often as possible, and, except in cases where the deputy transmits his collections by express, it is thought advisable that they should be required to forward their collections as often as they reach the sum of five hundred dollars, and in *all cases* at the end of each month, with a report on Form 102. (*See Circular No.* 187, *July* 22, 1878.)

The reports on Form 102, to the collector, should in each case be accompanied by the money or certificate of deposit, necessary to exactly balance the collections reported, so that the report on Form 64 for the month will not show any balance due from the deputy.

Every collector will be expected to keep an accurate account with each deputy, showing the amount of all taxes and stamps furnished him, and how the same have been accounted for by the deputy. A book (Form 43) for this account will be furnished collectors, who must keep it in the manner indicated in the instructions printed therein. Deputy collectors who sell stamps or make collections on lists will be required to keep a daily record embracing the kind and denomination of stamps sold, and amounts collected on lists, on the form prescribed for use by collectors. Books for this purpose will be furnished on requisition of collectors.

COLLECTORS' RECORDS.

The following records are prescribed for use by collectors, and will be furnished from this Office:

1. Daily record of collections on lists; in which must be entered the date of each collection, name, residence, and occupation of tax-payer, on what list assessed, amount of tax, and assessed or unassessed penalty paid.

2. Daily record of spirit-stamps, other than tax-paid, sold; in which must be entered the date of each sale, name and residence of purchaser, number of the stamps of each denomination sold, and the value thereof.

3. Daily record of beer-stamps sold; in which must be entered the date of each sale, name and residence of purchaser, number of each denomination, and the face value of the stamps sold, discount thereon, and amount received.

4. Daily record of tax-paid spirit-stamps sold; in which must be entered the date of each sale, name of purchaser, and location of distillery, number of gallons represented by the stamps and coupons of each denomination sold, and the value thereof.

5. Daily record of cigar and cigarette-stamps sold; in which must be entered the date of each sale, name of purchaser, location and number of factory, number and value of the stamps sold of each denomination, the value of the stamps sold each purchaser, and the total value of the cigar and cigarette-stamps sold each day.

6. Daily record of snuff-stamps sold; in which must be entered the date of each sale, name of purchaser, number of factory, number and value of the stamps sold of each denomination, total value of the stamps sold each purchaser, and the total value of the snuff-stamps sold each day.

7. Daily record of tobacco-stamps sold; in which must be entered the date of each sale, name of purchaser, number of factory, number and denomination of the stamps sold, and the value thereof, with one exception, to wit, the number of pounds represented by the fifteen-pound coupon stamp sold should be entered, and not the number of stamps.

8. Daily record of special-tax stamps sold; in which must be entered the date of each sale, name of purchaser, location of place of business, number of the coupons attached to the stamps of each denomination sold, and the value thereof, with the following exceptions, to wit, the stamps for stills and worms have no coupons attached thereto, and the number of the stamps sold should be entered.

9. Record of collections and deposits; in which must be entered the total collections of each day, from each source, as set forth in the several daily records, and the grand total from all sources, and also the amount deposited each day, with the number of the certificate of deposit. In opening this record the collections and deposits previously made should begin the grand total of collections and deposits.

10. Record of special taxes. This is the record required by section 3240, Revised Statutes U. S., which provides that "each collector of internal revenue shall, under regulations of the Commissioner of Internal Revenue, place and keep conspicuously in his office, for public inspection, an alphabetical list of the names of all persons who shall have paid special taxes within his district, and shall state thereon the time, place, and business for which such special taxes have been paid." Each deputy collector will also keep a similar list of all persons within his division who have paid special taxes.

This record will be furnished to collectors for themselves, and also for each of their deputies who is in charge of a division.

11. Record of cigar manufacturers. This is the record required for recording the inventories and monthly returns of each cigar manufacturer.

12. Record of cigar-makers. This is the record required for registering all the cigar-makers in the district.

13. Record of tobacco manufacturers. This is the record required for recording the inventories and monthly returns of each tobacco manufacturer.

14. Record of distilled spirits—bonded account. This is a record made up from Forms 59 and 86, giving full particulars relative to the deposit, transfer in, and with-

drawal from warehouse of each package of spirits produced and placed in bond.

15. Collector's record of bonded distilled spirits. Forms 60 *a*, 61, 93 *a*, 93½ *a*, 134 *a*, 137 *a*, 137 *aa*, 138 *a*, and supplementary 138 *a* should be made up directly from this record, in accordance with the instructions on the second page of the cover, *dated April* 14, 1878, in Circular No. 177, and as to 93½ *a*, on pages 8 and 9, Series 7, No. 7, Supplement No. 1, and interest tables in Circulars Nos. 183 and 184.

19. Record of beer-stamps sold to brewers. An account of the beer-stamps sold to each brewer should be kept in this record.

20. Record of brewers' returns. An abstract of each brewer's return on Form 18, revised, should be kept in this record.

21. Record of seizures and sales of real estate. The report on Form 128 should be made from this record.

22. Record of claims for abatement and refunding. An accurate record of all claims for abatement or refunding should be kept in this book. This record should be carefully and accurately kept, to prevent the certifying of duplicate claims.

23. Record of taxes abated as uncollectible. This record is intended exclusively for taxes which have been abated as uncollectible, and taxes abated as erroneously assessed should not be entered therein. Taxes abated as uncollectible, which afterwards become collectible, must be collected and the amount received returned on Form 58. The date and fact of collection, and the particular "58" on which returned, must be noted opposite the tax in this record.

25. Record of instruments stamped. The quarterly returns on Form 8 should be made from this record.

27. Record of reports on Form 44, revised. A copy of each monthly account rendered on Form 44, revised, should be made in this record.

29. Record of reports on Form 51. Each monthly report rendered on Form 51 should be copied into this book.

30. Record of reports on Form 68. The monthly report rendered on Form 68 should be made from this record.

31. Record of reports on Form 76. The monthly report rendered on Form 76 should be made from this record.

32. Record of reports on Form 79. Each quarterly account rendered on Form 79 should be copied into this book.

33. Record of reports on Form 90. The monthly report rendered on Form 90 should be made from this record.

34. Record of reports on Form 103. The monthly report rendered on Form 103 should be made from this record.

35. Tickler for Form 22. The collections made each day should be entered in this book, duly classified and proved, so that at the end of each month it will be merely necessary to foot the columns and transfer the footings to a blank form, 22.

36. Tickler for Form 51. The collections made each day should be entered in this book, duly classified as respects lists, stamps, &c., so that at the end of each month it will be merely necessary to foot the columns and transfer the footings to a blank form, 51.

37. Monthly transcript of sales. This record is prescribed in Circular No. 146, and is intended for recording sales by distillers, rectifiers, wholesale liquor-dealers, and dealers in leaf tobacco. It should be furnished to each deputy collector to whom the duty of making the transcripts of such sales has been assigned.

38. Collectors' record of bonds received. This is intended to be a complete record of all bonds required to be filed by manufacturers and special-tax payers in the collector's office. As soon as the bond is approved, the record of the same should be made in this book.

39. Record of rectifying. In this book the accounts with every rectifier of the district are to be kept. It is to be made up from Forms 122 and 59, and should be balanced at the end of each month.

40. Record of reports on Form 44½, which is a monthly account current with the collector as disbursing agent, and must be kept strictly in accordance with the form as indicated in the record.

41. Account of stamps issued to wholesale liquor-dealers. This record is prescribed in Circular 150, and is to be

made from Form 92. The entries are to be made daily, or as often as applications are received and stamps issued.

42. Record of report on Form 90½; report of collectors of stamps for distilled spirits other than tax-paid on hand and in the hands of deputies. On the first day of the month the stamps on hand and in the hands of deputies, the sales uncollected from previous months, and stamps brought over as *in transitu* from the last month should be entered in the proper columns. All stamps received during the month must be entered on the day they are received, and the date of invoice should be inserted. Stamps returned should be entered when the Commissioner's acknowledgment is received, and not before, and the date of the acknowledgment should be inserted. The sales for the month should be posted on the last day of the month in the daily record.

43. Collector's record of stamp-account with deputies. In this book the collector will keep an account with each of his deputies outside of his office who sell stamps, that will show the number, denomination, and value of all stamps furnished them, posting therein, in aggregate, the sales reported and stamps returned by the deputies each month, so that the exact balance in the hands of each deputy, at the close of the month, will be shown.

44. Record of seizures and sales of personal property, which should contain the record of all seizures made by collectors, except seizure under warrant of distraint, including both real and personal property, and of all sales made by collectors of the personal property thus seized.

45. Collector's record of registered grain and molasses distilleries, (prescribed by circular letter No. 53,) in which is to be kept a complete record of all registered grain and molasses distilleries in the district, and in which will be entered the changes of capacity, and a statement of the operations at each distillery, as indicated by the appropriate columns therein.

46. Collector's record of fruit distilleries, (prescribed in circular letter No. 54) in which will be recorded the number of the distillery, the name, and post-office address of the distiller, and a succinct record of the operations at the distillery, as indicated by the columns in the book.

47. Record of sales of cigar, cigarette, and tobacco-stamps to each manufacturer. In this book the collector should keep an account with each cigar and tobacco manufacturer of the stamps sold to him, showing the date, number, denomination, and value of the stamps sold.

48. Collector's record of bonded spirits exported. This book is intended as a supplement to the collector's record of bonded distilled spirits, Form 15, for the use of those collectors in whose district spirits are exported. This record will furnish the information necessary to complete the entries on Forms 137*a* and 137*aa*, and to make report on Form 136*a*.

49. Collector's record of bonded tobacco exported,

The accounts of collectors must be kept in the records prescribed on the preceding pages. No collector, however, is required to keep any more of the same than the nature of the collections in his district renders necessary, and if he has no transactions of the character mentioned in any one or more of the above list of books, the record prescribed for entries of that character need not be kept.

Collectors will be expected to keep their records neatly, and written up to date. The collections of each day, as shown by each record, must be entered daily and posted therefrom to the record of collections and deposits, in which record the collections from each source should, at the close of business each day, be posted in the proper column on the line for that day, and the grand total of all sources entered on the same line in column 11. Totals for the month of the columns from three to ten, inclusive, should exactly agree with the actual collections for the month, and with the report of collections and sales rendered on Form 51 and in the stamp-reports. As often as a deposit is made, the date, number of certificate, and amount should be entered in the columns provided therefor.

In the records for Forms 68, 76, 90, and 103, the stamps on hand at the beginning of the month should be entered on the first day of the month; all stamps received during the month should be entered on the day they are received; those returned should be entered upon receipt of the acknowledgment of their return; and the sales for the

month should be posted in on the last day of the month, from the aggregate sales shown in the records of collections. The balance shown will be the stamps on hand and "in transitu," which should be verified by actual count every month.

The collections in each month should be recapitulated in each record so as to show the amount collected by the collector and by each deputy respectively, and the amount entered as collected by a deputy should be accompanied by a note referring by number to the particular form "102" covering the same, and each deputy should so number his reports on Form 102 that they can be readily thus referred to.

Where deputies keep the prescribed records the collections reported by them need not be entered in detail on the collector's records, but the amount of each Form 102 will be entered in aggregate under proper denominations in the name of the deputy, and referring to his report on Form 102 by number and date.

The entries for the last day of the month in each of the daily records will not be completed or posted into the "Daily record of collections and deposits" until the reports from deputies of all collections made in the month have been received and entered, and reports received after the last day of the month, of collections in that month, should be entered as collections of the last day of the month, and blank space sufficient for this purpose should be left in each "record," and the entries for the next month commenced on the succeeding pages.

The "Monthly transcript of sales," record of Form 9, must be kept by the collector, and should also be kept by the deputies in whose divisions there are a considerable number of special-tax payers. This form is prescribed with a view of insuring a more thorough collection of special taxes due from rectifiers, wholesale and retail liquor-dealers, and cigar and tobacco manufacturers. Instructions for keeping this record are given in Circular 146.

Agents should observe whether transcripts of purchases from other districts are promptly sent on Form 9 to collectors.

The account with the rectifiers (Book 39) must be kept as required in Series 7, No. 7, page 60, also the record of Form 92, application for wholesale liquor-dealers' stamps, (Book 41.) Agents will be required to examine both of these books to see if they are properly kept, and all entries made daily as required.

The records furnished to a collector from this Office are part of the official records of his office, and as such they should be carefully used and kept in as good order as possible.

Upon the expiration of his term of office, it is the duty of the collector to promptly transfer all the official records of his office to his successor, who will then become the lawful custodian thereof. *Any collector who knows of the existence of any such records belonging to his office, which have never been placed in his hands, should at once use the proper means to have them transferred to him, and in case of failure to secure the same, should report the fact to this office.*

This transfer of the records to a successor will not deprive the late collector of the privilege of having (with the permission of the collector) free access, during the usual business-hours, to such records, for purposes relating to the settlement of his accounts as collector.

GENERAL INSTRUCTIONS CONCERNING STAMPS.

The provisions of law relative to the preparation and issue of stamps, require collectors to keep on hand, at all times, a supply of the different kinds of stamps as follows:

For fermented liquors, a supply equal in amount to two months' sale thereof.

For the payment of the tax on tobacco and snuff, a supply equal in amount to three months' sale thereof.

For cigars, a supply equal in amount to two months' sale thereof.

For distilled spirits and special taxes, no particular quantities are required by law to be kept by collectors; but they will be required to keep on hand, at all times, a sufficient supply to enable them to meet promptly any demand that may be made upon them.

Collectors requiring any of the stamps above mentioned will make timely requisitions upon this Office therefor, and will keep on hand at all times the supplies required by law.

Upon the receipt of stamps, collectors are required to open and count them, in the presence of at least one disinterested witness, and date, sign, and transmit to this Office, without delay, the receipt furnished. Receipts must in all cases be signed by collectors, or acting collectors, and not by their deputies.

If any discrepancy is found to exist between the invoice and the stamps received, immediate notice thereof must be given to this Office, which notice must be accompanied by the affidavit of the collector, or acting collector, stating the exact amount of such discrepancy, and the kind and denomination of stamps in which it occurs, and by the corroborative affidavit of a disinterested witness, who was present at the opening of the package.

An accurate inventory should be taken, by denominations and values, of all stamps and coupons on hand at the close of each month, in order to verify the collector's reports on Forms 68, 76, 90, 90½, and 103.

All stamps for which collectors have no sale, present or prospective, should be returned to this Office.

Section 3314 makes it the duty of each collector to return to the Commissioner of Internal Revenue any book of marginal stubs of stamps for distilled spirits issued to him from this Office, so soon as all the stamps contained in the book have been used. *This must not be construed to authorize an outgoing collector to transfer partially-used coupon books to his successor.* The retiring officer must, in all cases, forward to this Office all coupon books from which stamps have been detached during his administration of the collector's office, whether the stamps have been entirely or only partially detached therefrom.

Collectors should not take credit on their reports for stamps or coupons returned until after they have been notified by this Office of the reception and allowance of such stamps or coupons, and the amount thereof. Prior to the receipt of such notification they should be reported as "returned *in transitu*" in all cases where a line is designated on the form for that purpose.

When the stamps in a collector's office are counted, the agent making the examination will be particular to note whether or not any stamps other than those of the current issue are on hand, and if such is found to be the case, the fact should be promptly reported to this Office.

Books from which all stamps have been detached should be examined to ascertain if they have been retained longer than the time prescribed by regulation, (ten days after the close of the month in which the last stamp was used.) If any books have been so retained, an explanation should be required of the collector.

CHANGE OF COLLECTORS.

Whenever there is a change of collectors either in a district or a consolidation of districts, an agent, if it is practicable, will be detailed to superintend the transfer of the office from the retiring to the succeeding collector. The agent will be held responsible that the transfer is properly made, that all stamps, lists, records, and public property of every description belonging to the office is delivered to and receipted for by the incoming collector.

Previous to the transfer all the stamps should be accurately counted and the liability of the outgoing collector definitely determined. The agent will carefully examine the lists, and he should see that all the schedules are made out in accordance with the following instructions. Upon completion of the transfer he will make full report to this Office.

DUTY OF OUTGOING COLLECTORS—TRANSFER OF TAXES.

A collector, on going out of office, must transfer to his successor in office all of the taxes outstanding on lists in his hands, whether delivered to him by the former assessors, respectively, by this Office, or by other collectors, or by his predecessors in office, in the following manner:

All taxes that are supposed to be collectible should be scheduled separately, in detail and by lists, and endorsed "Schedule A—Amount of collectible taxes transferred to successor."

All taxes that have been referred to the United States district attorney for suit should be scheduled separately, in detail and by lists, and the schedule endorsed "Schedule B—Amount of taxes in suit transferred to successor." This schedule should only include such taxes referred to the United States district attorney as are still in suit, and should be accompanied by a statement from that officer that the bonds covering the taxes in suit are in his possession.

All taxes on account of which property has been purchased or bid in for the United States on distraint, where the right of redemption by the owner or owners of said property still exists, should be scheduled separately, in detail and by lists, and endorsed "Schedule C—Amount of taxes for which property has been sold on distraint and bid in for the United States, transferred to successor." This schedule should be accompanied by a statement of the outgoing collector's action in regard to the property bid in for the United States on distraint.

All taxes, the collection of which is suspended by order of this Office, should be scheduled separately, in detail and by lists, and endorsed "Schedule D—Amount of taxes, the collection of which is suspended, transferred to successor." This schedule should be accompanied by copies of the letters or telegrams suspending the collection of the taxes enumerated therein.

All taxes claimed to be erroneously assessed, or known to be uncollectible, should be scheduled separately, in detail and by lists, and endorsed "Schedule E—Amount of uncollectible and erroneous taxes transferred to successor." This schedule should include all taxes covered by claims for abatement not acted upon or pending in this Office at the time the transfer is made. For all of said taxes not covered by claims pending in the office as aforesaid, the outgoing collector must prepare claims for abatement in the manner prescribed by existing regulations. The pending and newly-prepared claims should be stated in separate columns, showing the amount on each list.

All taxes receipted for on Form 23½, for which special-tax stamps have been issued, and which are covered by claims for credit on Form 66, should be scheduled in

detail and by lists, and the schedule endorsed "Supplementary Schedule E."

All claims of this kind on lists of an outgoing collector should be prepared by him and sent to this Office with the books of stubs of special-tax stamps from which the stamps covering the taxes were cut. The outgoing collector should make an endorsement on the Form 66, covering taxes of this kind transferred, that said taxes have been transferred to his successor, "Collector ——— ———," and that the credit therefor, when allowed, should be given to the latter.

These schedules should be prepared in triplicate, and the receipt of the collector to whom the transfer is made should be attached thereto. One set of said schedules to be retained by the outgoing and one by the incoming collector, and one to be sent to this Office.

There must also be attached to each of the schedules sent to this Office, (except "Supplementary Schedule E,") an affidavit by the outgoing collector that he has used due diligence to collect the taxes transferred therein, and that to the best of his knowledge and belief none of them have been collected, and that the failure to collect is not justly chargeable to any lack of diligence on the part of the collector or of his deputies.

Any collector going out of office who transfers to his successor in office all taxes in his hands, accompanied with the required affidavits, and in accordance with the foregoing instructions, will immediately receive credit therefor in his account, and his successor will be charged with the same, provided that the evidence furnished that due diligence was used by the outgoing collector while in office to collect said taxes shall be satisfactory to the Commissioner of Internal Revenue.

In the event of any outgoing collector failing to transfer to his successor in office the taxes in his hands, whether delivered to him by the assessors, respectively, or by other collectors, or by his predecessor in office, or by the Commissioner of Internal Revenue, in accordance with the foregoing instructions, or having transferred them, fails to satisfy the Commissioner of Internal Revenue of the exercise of due diligence by such outgoing collector

concerning the taxes transferred, he will be held in his account for said taxes until accounted for either by abatement to himself, collection by his successor, or in such other way as may be satisfactory to this Office, and in case of unnecessary delay in accounting therefor, his account will be referred to the accounting officers of the Treasury, in order that suit may be brought against him on his official bond.

Great care should be exercised by outgoing collectors not to include in the schedules of taxes transferred to successors, any taxes paid either to them or their deputies, prior to the transfer.

In case any taxes thus paid are transferred, it will be the duty of the new collector to at once make demand upon the late collector to whom or whose deputies the taxes were paid, for the amount of the same, and in compliance with such demand the collector should report the taxes collected in the same manner as if the taxes had been paid directly to him by the tax-payers. In case the predecessor does not comply with the demand made on him, the collector should at once report the fact to this Office for such action as the circumstances of the case will warrant.

Prompt compliance with these instructions by collectors will insure an early settlement of their accounts.

The public property, including all annual and monthly lists of taxes; all official letters and records; all stationery, forms, blanks, books, laws, circulars, specials, decisions, pamphlets containimg instructions, postage-stamps, hydrometers and manuals, or receipts of gaugers therefor, and whatever else is furnished or paid for by the Government, must be delivered by the outgoing collector to his successor. The inventory of the same, after being receipted for by the new incumbent, should be forwarded to this Office, with his final account on "Form 44, revised."

The agent who superintends the transfer should take pains to satisfy himself that all public property and official records are so transferred.

TRANSFER OF STAMPS.

An outgoing collector should transfer to his successor all stamps for distilled spirits, fermented liquors, tobacco, snuff, and cigars, and special taxes, remaining on hand, excepting partially-used books of coupon stamps, which should, in every case, be transmitted to the Commissioner. Receipts therefor, showing the total number and value of each denomination of stamps transferred, and where books are transferred the serial letters and number of each book, should be taken in triplicate, one copy of which should accompany the final account on Form 79, of the outgoing collector, one copy accompany his reports on Forms 68, 76, 90, and 103, and one copy be retained by the collector for his own protection. Such receipts should be on separate sheets, that is to say, one receipt for spirit-stamps, one receipt for tobacco, snuff, and cigar-stamps, one receipt for beer-stamps, and one receipt for special-tax stamps.

Documentary and proprietary stamps should in no case be transferred until the incoming collector has filed a bond as an agent for the sale of stamps, and the outgoing collector has been specially directed to transfer such stamps. The outgoing collector in taking credit in his accounts for stamps transferred, will state the fact of such transfer, the date thereof, and the name of the collector to whom transferred. This item of credit must agree in all particulars with the receipt attached to the form. The successor will take up the stamps transferred to him, and will state the fact of such transfer in like manner, by giving the date of the transfer and the name of his predecessor from whom the stamps were received.

DUTY AND RESPONSIBILITY OF SUCCEEDING COLLECTORS.

Section 3218, Revised Statutes United States, reads as follows:

"Every collector shall be charged with the whole amount of taxes, whether contained in lists transmitted to him by the Commissioner of Internal Revenue, or by other collectors, or delivered to him by his predecessor

in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for penalties, forfeitures, fees, or costs; and he shall be credited with all payments into the Treasury made as provided by law, with all stamps returned by him uncancelled to the Treasury, and with the amount of taxes contained in the lists transmitted in the manner heretofore provided to other collectors, and by them receipted as aforesaid; also with the amount of the taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as collector to his successor in office: *Provided*, That it shall be proved to the satisfaction of the Commissioner of Internal Revenue, who shall certify the facts to the First Comptroller of the Treasury, that due diligence was used by the collector. And each collector shall also be credited with the amount of all property purchased by him for the use of the United States, provided he faithfully account for and pay over the proceeds thereof upon a resale of the same as required by law."

Section 3219 provides that "in case of the death, resignation, or removal of any collector, all lists and accounts of taxes uncollected shall be transferred to his successor in office as soon as such successor is appointed and qualified, and it shall be the duty of such successor to collect the same."

A collector must receipt for, and he will be charged with, all the taxes transferred to him by his predecessor in office that are covered by Schedules A, B, C, D, and E, provided due diligence has been used by the latter to collect the same, and the instructions on page 61 of Regulations, Series 7, No. 2, have been complied with; and these taxes should be taken up on Form 51, in the assessment column, and reported until they are accounted for. If any of said taxes are found to be uncollectible, they will be abated to the collector to whom they stand charged, upon the rendition of proper vouchers, either on Forms 47 and 48½ or Forms 48 and 53, as the case requires.

In the event that any taxes transferred to a collector by his predecessor as being uncollected are found to have been collected by the latter or any of his deputies, the amount of said taxes will be charged back upon sufficient evidence being furnished to this office to justify such a procedure. In such cases it will be sufficient for the collector to forward to the Commissioner of Internal Revenue a copy of the original receipts in the hands of the tax-payers, duly authenticated; or, if this be not practicable, the collector's affidavit, and that of the deputy charged with the collection of the taxes, to the effect that satisfactory evidence has been presented by the tax-payer that the taxes in question were paid to the late collector or any of his deputies.

This schedule should not be sent to this Office until all the taxes thus paid have been ascertained. It should be as complete as possible, setting forth each tax, the list on which assessed, &c., and should be sustained by the best obtainable evidence. An incoming collector should be able to transmit this schedule within ninety days from the beginning of his term. This action, however, should not be taken until a demand has been made by the collector upon his predecessor for the amount of such taxes; and should his predecessor comply therewith, the collector should report the taxes collected in the same manner as though the money had been collected by him directly from the tax-payers.

A collector must also receipt for, and he will be charged with, all stamps for fermented liquors, distilled spirits, tobacco, snuff, cigars, and special taxes transferred to him by his predecessor, as herein provided; and he must take up on his report the stamps so transferred to him, stating the facts of such transfer, and giving the date of the transfer, and the name of his predecessor from whom such stamps were received.

CONSOLIDATION OF DISTRICTS.

Whenever, under the various sections of the internal-revenue laws, two or more collection districts are consolidated and made one, the collector appointed for the dis-

trict thus newly organized will be regarded as the successor of the collectors of the obsolete districts, and the foregoing regulations will in every instance be strictly observed.

If the collector of one of the old districts is appointed collector of the new district, he must be regarded as a new collector, and successor to himself as collector of the old district, and must close out his old account accordingly.

In all examinations of offices, if there are any documentary or proprietary stamps in the hands of the collector, the same will be counted by the agent, and reported in statement showing the condition of the office.

RECEIPTS FOR TAXES.

Section 3183, Revised Statutes, as amended by section 3 of the internal-revenue act of March 1, 1879, provides that "It shall be the duty of the collectors, or their deputies, in their respective districts, and they are authorized, to collect all the taxes imposed by law, however the same may be designated. And every collector and deputy collector shall give receipts for all sums collected by him, excepting only when the same are in payment for stamps sold and delivered; but no collector or deputy collector shall issue a receipt in lieu of a stamp representing a tax."

Blank receipt, Form No. 1, revised, with a registry number on receipt and stub, is to be used in all cases of collection of taxes and assessed penalties on lists, or which are assessable on lists, and the use of any other blank is prohibited for that purpose. When a stamp is issued covering a portion of the amount assessed, the receipt on Form No. 1, revised, should cover only so much of the amount as is not covered by the stamp. A careful record should be made on each stub at the time the receipt is detached therefrom, specifically showing the amount of tax, (including assessed penalty, if any,) unassessed penalty, and interest covered by the receipt. As soon as all the receipts in a book are used, the covers should be cut off to within a quarter of an inch of the outer edge of the stub, and the book of stubs returned at once to this Office

by registered mail, where they will be carefully compared with the lists.

As collectors will be required to account for every receipt, in case of mutilation or non-use of any receipt for any cause, it should not be torn out, but folded back over the stub, so that it will not be cut off with the cover, but returned with the stub, thus showing it had not been used.

At the expiration of a collector's term of office, all of his books of Form No. 1, revised, whether wholly or partially used, should be returned to this Office. No partially-used book should be transferred to a successor. Full books can be transferred, but should be covered by a receipt setting forth the number of each of the books covered by the transfer.

SCHEDULE OF ARTICLES AND OCCUPATIONS SUBJECT TO TAX UNDER THE INTERNAL-REVENUE LAWS OF THE UNITED STATES NOW IN FORCE.

SPECIAL TAXES.

	Rate of tax.
Rectifiers, five hundred barrels or more	$200 00
Rectifiers, less than five hundred barrels	100 00
Retail liquor-dealers	25 00
Wholesale liquor-dealers	100 00
Retail dealers in malt liquors	20 00
Wholesale dealers in malt liquors	50 00
Manufacturers of stills	50 00
and for stills or worms manufactured, each	20 00
Manufacturers of cigars	10 00
Dealers in leaf tobacco	25 00
Retail dealers in leaf tobacco	500 00
and for annual sales over $1,000; for every $1.00 over $1,000	50
Dealers in manufactured tobacco	5 00
Manufacturers of tobacco	10 00
Peddlers of tobacco when travelling with more than two horses, mules, or other animals, 1st class	50 00
Peddlers of tobacco, when travelling with two horses, mules, or other animals, 2d class	25 00
Peddlers of tobacco, when travelling with one horse, mule, or other animal, 3d class	15 00
Peddlers of tobacco, when travelling on foot, or by public conveyance, 4th class	10 00
Brewers, annual manufacture less than 500 barrels	50 00
annual manufacture 500 barrels or more	100 00

DISTILLED SPIRITS, &c.

Distilled spirits, per gallon	90
Brandy made from grapes, per gallon	90
Wines, liquors, or compounds known or denominated as wine, and made in imitation of sparkling wine or champage, but not made from grapes grown in the United States, and liquors, not made from grapes, currants, rhubarb, or berries grown in the United States, but produced by being rectified or mixed with distilled spirits or by the infusion of any matter in spirits, to be sold as wine, or as a substitute for wine, in bottles containing not more than one pint, per bottle or package	10
Same, in bottles, containing more than one pint, and not more than one quart, per bottle or package	20
And at the same rate for any larger quantity of such merchandise, however put up, or whatever may be the package.	

	Rate of tax.
Stamps for distilled spirits intended for export, for expense, &c., of, each	$0 10
Stamps, distillery-warehouse, each	10
Stamps for rectified spirits, each	10
Stamps, wholesale liquor-dealer's, each	10
Stamps, special bonded-warehouse, each	10
Stamps, rewarehousing	10
Stamps for imported spirits, each	10

TOBACCO AND SNUFF.

Tobacco, chewing and smoking, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and all fine-cut shorts, and refuse scraps, clippings, cuttings, and sweepings of tobacco, domestic or imported, per pound	16
Stamps for tobacco, snuff, and cigars, intended for export, for expense, &c., of, each	10
Snuff, of all descriptions, domestic or imported, and snuff-flour, sold or removed for use, per pound	16

CIGARS.

Cigars and cheroots, of all descriptions, domestic or imported, per thousand	6 00
Cigarettes, domestic or imported, weighing not over three pounds per thousand, per thousand	1 75
Cigarettes, domestic or imported, weighing over three pounds per thousand, per thousand	6 00

FERMENTED LIQUORS.

Fermented liquors, per barrel, containing not more than 31 wine gallons	1 00
And at a proportionate rate for halves, thirds, quarters, sixths, and eighths of barrels.	
More than one barrel of 31 gallons, and not more than 63 gallons, in one package	2 00

BANKS AND BANKERS, &c.

Deposits in banks, or with persons, &c., engaged in the business of banking, per month	$\frac{1}{24}$ of 1 p. c.
Deposits in savings-banks, with certain exceptions specified in the law, per month	$\frac{1}{24}$ of 1 p. c

	Rate of tax.
Capital of banks, &c., and capital employed by any person in the business of banking beyond average amount invested in United States bonds, per month	¼ of 1 p. c.
Circulation issued by any bank, &c., or person, per month	¼ of 1 p. c.
Circulation exceeding 90 per cent. of capital in addition, per month	⅛ of 1 p. c.
Banks, &c., on amount of notes of any person, State bank, or State banking association, used for circulation and paid out	10 p. c.
Banks, bankers, or associations, on amount of notes of any town, city, or municipal corporation, paid out by them	10 p. c.
Every person, firm, association, other than national-bank associations, and every corporation, State bank, or State banking association, on the amount of *their own notes* used for circulation and paid out by them	10 p. c.
Every such person, firm, association, corporation, State bank, or State banking association, and also every national banking association, on the amount of notes of any person, firm, association, other than a national banking association, or of any corporation, State bank, or State banking association, or of any town, city, or municipal corporation, used for circulation and paid out by them	10 p. c.

STAMP-TAX.

Bank-check, draft, order, or voucher for the payment of any sum of money whatsoever, drawn upon any bank, banker, or trust-company	$0 02

STAMP-TAXES UNDER SCHEDULE A.

Medicines or preparations: For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any pills, powders, tinctures, troches, lozenges, sirups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences, spirits, oils, or other medicinal preparations or compositions whatsoever, sold, offered or exposed for sale, or removed for consumption or sale, or sent out, removed, or delivered, by any person or persons whatever, subject to the conditions specified in Schedule A, and section 3436, Revised Statutes, and section 22, act February 8, 1875, where such packet, box, &c., with its contents, does not exceed, at retail price or value, the sum of twenty-five cents	01
Exceeding twenty-five and not exceeding fifty cents	02
Exceeding fifty and not exceeding seventy-five cents	03
Exceeding seventy-five cents and not exceeding one dollar	04
Exceeding one dollar, for every additional fifty cents, or fractional part thereof in excess of one dollar	02

	Rate of tax.
Perfumery and cosmetics: For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any essence, extract, toilet-water, cosmetic, hair-oil, pomade, hair-dressing, hair-restorative, hair-dye, tooth-wash, dentifrice, tooth-paste, aromatic cachous, or any similar articles, by whatsoever name the same heretofore have been, now are, or may hereafter be called, known or distinguished, used or applied, or to be used or applied as perfumes or applications to the hair, mouth, or skin, sold, offered or exposed for sale, or removed for consumption or sale, or sent out, removed, or delivered, the same rates per package, &c., as for medicines and preparations.	
Friction-matches: For and upon every parcel or package of 100 or less	$0 01
More than 100 and not more than 200	02
For every additional 100 or fractional part thereof	01
Wax-tapers, double the rates for friction-matches.	
Cigar-lights, made in part of wood, wax, glass, paper, or other materials, in parcels, or packages, containing twenty-five lights or less in each parcel or package	01
When in parcels or packages containing more than twenty-five and not more than fifty lights	02
For every additional twenty-five lights or fractional part of that number, one cent additional.	
Playing-cards: For and upon every pack not exceeding fifty-two cards in number, irrespective of price or value.	05

SPECIAL TAXES.

By section 3244, as amended by acts of February 8, 1875, and March 1, 1879, special taxes are imposed as follows:

WHOLESALE LIQUOR-DEALERS.

Wholesale liquor-dealers shall each pay one hundred dollars. Every person who sells or offers for sale foreign or domestic distilled spirits, wines, or malt liquors in quantities not less than five gallons at the same time shall be regarded as a wholesale liquor-dealer, (no person, however, is a wholesale liquor-dealer who sells only malt liquors at wholesale and does not deal in spirituous liquors at wholesale at the same place of business.) But no distiller who has given the required bond, and who sells only distilled spirits of

his own production at the place of manufacture in the original package to which the tax-stamps are affixed, shall be required to pay the special tax of a wholesale liquor-dealer on account of such sales.

A person who has been a distiller, who has not renewed his bond as such, having spirits in bond, can only make sale of the same by paying the special tax of a wholesale liquor-dealer, unless prior to such sale he gives notice and renews his bond as a distiller.

A person is liable to special tax as a wholesale liquor-dealer for each and every place where such trade or business is carried on; *i. e.*, for each and every place where he sells or offers for sale foreign or domestic distilled spirits, wines, or malt liquors, as hereinbefore stated, in quantities not less than five gallons at the same time.

The place where the delivery, either actual or constructive, which transfers ownership from the vendor to the vendee is made, is regarded as the place of sale, and at that place he should pay the special tax. The spirits may be stored elsewhere, but he need not pay special tax for the place of storage if at his place of business there has been such constructive delivery as is above described. (See "Internal Revenue Record," vol. 23, No. 32, page 253.)

Persons do not incur liability to special tax as liquor-dealers by reason of delivering liquor to an authorized liquor-dealer to sell for them, on commission or otherwise.

"No special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than twenty wine gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm; nor shall the special tax of a wholesale liquor-dealer or whole-

sale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors; and section thirty-three hundred and nineteen of the Revised Statutes shall not be held to prohibit a rectifier or liquor-dealer from purchasing, in quantities greater than twenty wine gallons, the distilled spirits sold in one parcel as aforesaid."—(Act of March 1, 1879.)

Under this provision it is held that a retail dealer in liquors can sell out his entire stock of liquors, amounting to five gallons or more, in one parcel, without subjecting himself to special tax as a wholesale liquor-dealer; or he can sell his entire stock of distilled spirits in one parcel, his entire stock of wines in another parcel, and his entire stock of malt liquors in another parcel, without subjecting himself to such special tax; but the exemption accorded to him does not extend further than this.

A wholesale or retail liquor-dealer must not have in his possession any still or leach-tub, whether dismantled or not, for any purpose whatever, (or even if it is not kept for any use at all,) if he would avoid liability as a rectifier. The words "for the purpose of refining in any manner distilled spirits," (section 3244, Revised Statutes, part third,) relate to the words "any other apparatus" immediately preceding, and do not relate to the words "any still or leach-tub."

The intent of the statute seems to be to cut off facilities for illicit rectification, which would be afforded by a still or leach-tub in the possession of a liquor-dealer.

RETAIL LIQUOR-DEALERS.

Retail dealers in liquors shall pay twenty-five dollars. Every person who sells or offers for sale foreign or domestic distilled spirits, wines, or malt liquors in less quantities than five gallons at the same time, shall be regarded as a retail dealer in liquors. (But he is not a retail liquor-dealer if he sells malt liquor at retail, and does not deal in spirituous liquors or wines at the same place of business.)

By section 3246, Revised Statutes, as amended March 1, 1879, the chapter of special taxes in the Revised Statutes is construed so as not to impose a special tax upon vintners who sell wine of their own growth, or manufacturers who sell wine produced from grapes grown by others, at the place where the same is made or at the general business-office of such vintner or manufacturer: *Provided*, That no vintner or manufacturer shall have more than one office for the sale of such wine that shall be exempt from special tax under this act.

The last clause of section 3246, Revised Statutes, as amended by section 5 of the act of March 1, 1879, is as follows:

"Nor shall any special tax be imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines."

This exemption extends over the entire chapter of special taxes, so that an apothecary can neither be required to pay special tax as a liquor-dealer for selling medicinal preparations, though spirituous liquor or wine be a component part thereof, nor be required to pay special tax as a rectifier for purifying, refining, or in any manner treating liquors for use in the preparation of his medicines, whether he uses a still for this purpose or any other mechanical appliance or process.

But the exemption relates only to medicinal preparations, and an apothecary, therefore, is not exempt from the liquor-dealer's special tax if he sells unmixed distilled spirits (including pure alcohol) or wines, though he sell them strictly as medicines, and even upon a physician's prescription.

Special tax is not required to be paid for the sale of Hostetter's Stomach Bitters or other bitters, which, having been submitted to this Office, have been found to be medicines, and required to be stamped as such.—(Int. Rev. Record, vol. 24, p. 393, and vol. 25, p. 69.)

Nor is special tax required to be paid for the sale of brandy-peaches, brandy-cherries, and the like, in the manner usual with the legitimate trade, that is, put up in packages containing no greater quantity of liquor than is necessary for the preservation of the fruit.

RECTIFIERS.

Rectifiers of distilled spirits shall pay two hundred dollars. Every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, or wash through continuous closed vessels and pipes, until the manufacture thereof is complete; and every wholesale or retail liquor-dealer who has in his possession any still or leach-tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits; and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any materials, manufacture any spurious, imitation, or compound liquor for sale under the name of whiskey, brandy, gin, rum, wine, spirits, cordial, or wine-bitters, or any other name, shall be regarded as a rectifier, and as being engaged in the business of rectifying: *Provided*, That any person who rectifies, purifies, refines, or manufactures as aforesaid, less than five hundred barrels a year, counting forty gallons of proof spirits to the barrel, shall pay one hundred dollars.

The purifying or refining of spirits in the course of original and continuous distillation through any material which will not remain incorporated with such spirits when the manufacture thereof is complete, does not render the distiller liable to special tax as a rectifier.

The mixing of spirits, wines, or other liquors with any materials which result in the production of a spurious imitation or compound liquor intended for sale under any name constitutes rectification. But retail liquor-dealers who put tansy, horse-radish, snake-root, or the like into liquors, and sell the liquors so prepared to their customers by the drink merely, are not regarded as thereby incurring the rectifier's special tax.

The addition of water, or the simple mixing of spirits of the same kind, produced at the same distillery at or about the same time, is not regarded as rectification.

The addition to distilled spirits of any coloring-matter or foreign substance which in any way changes the character of the spirits or remains incorporated therein, is

regarded as rectification. The mixing of wines identical in kind, or the clearing of wines by means of a strainer or filter which cannot be used for the purifying or refining of liquors in any other way, or the addition of simple materials which merely hasten the settling of the sediment, particles of pulp, &c., floating in the wine without otherwise changing its character, is not considered the process of rectifying, purifying, or refining such as the statute contemplates; but if the wines are different in kind, even though produced at the same establishment, or the result obtained from the mixture, or by any process of manipulation, is a compound or spurious liquor, the dealer is liable to the special tax of a rectifier.

Liquors put up and exposed for sale, bearing labels, such as "Medicated Bourbon Whiskey," "Medicated Port Wine," "Peach Brandy Bitters," &c., with nothing else upon the label except the dose prescribed, even though stamped under Schedule A, are not so removed from the category of beverages and liquors as to relieve the vendor from the liability to pay special tax as a liquor-dealer, or the person who prepares them from special tax as a rectifier, unless the same has been submitted to this Office for examination and placed in the category of medicinal articles.—(Internal-Revenue Record, vol. 24, p. 393, and vol. 25, p. 69.)

The recovery by a druggist (by means of a still or otherwise) of alcohol previously used by him in the preparation of medicines does not subject him to special tax as a rectifier, (24 Int. Rev. Rec., 282,) nor is he required to pay such special tax for purifying, refining, or in any manner treating liquors for use in the preparation of his medicines whether he use a still for this purpose or any other mechanical appliance or process.

Manufacturers of wine from grapes grown in the United States are held not to incur special tax as rectifiers by reason of injecting carbonic-acid gas into such wine, or adding to the wine proof spirits necessary to its preservation not exceeding ten per cent., or rock candy.

BREWERS.

Brewers shall pay one hundred dollars. Every person who manufactures fermented liquors of any name or description for sale from malt wholly or in part, or from any substitute therefor, shall be deemed a brewer.

Persons who manufacture less than five hundred barrels a year shall pay the sum of fifty dollars.

WHOLESALE DEALERS IN MALT LIQUORS.

Wholesale dealers in malt liquors shall pay fifty dollars. Every person who sells or offers for sale malt liquors in quantities of not less than five gallons at one time, but who does not deal in spirituous liquors at wholesale, shall be regarded as a wholesale dealer in malt liquors. No brewer shall be required to pay a special tax as a dealer by reason of selling in the original stamped packages, whether at the place of manufacture or elsewhere, malt liquors manufactured by him, or purchased and procured by him in his own casks or vessels, under the provisions of section thirty-three hundred and forty-nine of the Revised Statutes; but the quantity of malt liquors so purchased shall be included in calculating the liability to brewers' special tax of both the brewer who manufactures and sells the same and the brewer who purchases the same.

Brewers, as well as others who bottle malt liquors for sale, are liable as malt-liquor dealers, and are required to pay special tax as wholesale or retail malt-liquor dealers, or as both wholesale and retail malt-liquor dealers, according to the aggregate contents of the whole number of bottles sold at one time.

RETAIL DEALERS IN MALT LIQUORS.

Retail dealers in malt liquors shall pay twenty dollars. Every person who sells or offers for sale malt liquors in less quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors.

Brewers who, on the brewery premises or at any other place, sell fermented liquors manufactured by themselves or others, in quantities less than five gallons, except in the original stamped eighth-barrel package of their own manufacture, will be required to pay the special tax of retail dealers in malt liquors.

No special tax as retail dealers in malt liquors shall be required from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrel package.

DEALERS IN LEAF TOBACCO.

"Dealers in leaf tobacco, except retail dealers in leaf tobacco, as hereinafter defined, shall pay twenty-five dollars. Every person shall be regarded as a dealer in leaf tobacco whose business it is, for himself or on commission, to sell, or offer for sale, or consign for sale on commission, leaf tobacco; and payment of a special tax as dealer in tobacco, manufacturer of tobacco, manufacturer of cigars, or any other special tax, shall not exempt any person dealing in leaf tobacco from the payment of the special tax therefor hereby required. But no farmer or planter, nor the executor or administrator of such farmer or planter, nor the guardian of any minor, shall be required to pay a special tax as a dealer in leaf tobacco, for selling tobacco produced by said farmer or planter, or by said executor, administrator, or guardian, or received by either of them as rents from tenants who have produced the same on the land of said farmer, planter, or minor: *Provided*, That nothing in this section shall be construed to exempt from a special tax any farmer or planter who, by peddling or otherwise, sells leaf tobacco at retail directly to consumers, or who sells or assigns, consigns, transfers, or disposes of, to persons other than those who have paid a special tax as leaf-dealers or manufacturers of tobacco, snuff, or cigars, or to persons purchasing leaf tobacco for export."

"No sheriff or other officer acting under order or process of any court or magistrate, nor trustee, or other fiduciary, legally acting under the powers vested in him, shall be liable to said special tax as a dealer or retail dealer in selling tobacco under such authority. And no purchaser

at any sale by such sheriff, officer, trustee, or fiduciary, shall be held liable to any other tax or restriction as to a sale of tobacco so purchased than he would have been had such purchaser been the producer thereof on his own land.

"Dealers in leaf tobacco shall sell only to other dealers who have paid a special tax as such, and to manufacturers of tobacco, snuff, or cigars, and to such persons as are known to be purchasers of leaf tobacco for export: *Provided*, It shall be lawful for any licensed manufacturer of cigars to purchase leaf tobacco of any licensed dealer or other licensed manufacturer in quantities less than the original package, for use in his own manufactory exclusively."

A wholesale dealer in leaf tobacco may assort and repack leaf tobacco in hogsheads, cases, or bales of any size and weight, and may sell the same to authorized dealers in leaf tobacco, to snuff and tobacco manufacturers, and to such persons as are known to be purchasers of leaf tobacco for export, but he must assort and repack the tobacco in anticipation of the wants of this class of customers and sell them unbroken packages previously prepared by him for sale. He cannot break hogsheads, cases, or bales and retail therefrom in any quantity called for, put up and delivered at the time of sale, except to authorized manufacturers of cigars for use in their own manufactories exclusively, without rendering himself liable to the special tax of a retail dealer in leaf tobacco.

Dealers in leaf tobacco are liable to pay a special tax for each separate place at which they sell leaf tobacco, or from which they ship on consignment to be sold for them on commission, provided such place is known or held out in any way to the public as a place where they receive, prize, and sell, or consign for sale, leaf tobacco.

Any person whose business it is to sell strips or stemmed leaf, or to sell tobacco-stems, or to sell broken and fragmentary tobacco, as a dealer, comes within the terms of the statute defining a leaf-dealer, or dealer in leaf tobacco, and must pay a special tax as such, and keep the books and make the entries therein which the law requires.

RETAIL DEALERS IN LEAF TOBACCO.

Retail dealers in leaf tobacco shall each pay five hundred dollars, and if their annual sales exceed $1,000, shall each pay in addition thereto fifty cents for every dollar in excess of $1,000 of their sales.

Every person shall be regarded as a retail dealer in leaf tobacco whose business it is to sell leaf tobacco in quantities less than an original hogshead, case, or bale, or who sells directly to consumers or to persons other than dealers in leaf tobacco who have paid a special tax as such, or to manufacturers of tobacco, snuff, or cigars who have paid a special tax, or to persons who purchase in original packages for export.

DEALERS IN MANUFACTURED TOBACCO.

Dealers in tobacco shall each pay five dollars. Every person whose business it is to sell or offer for sale manufactured tobacco, snuff, or cigars, shall be regarded as a dealer in tobacco, and the payment of a special tax as a wholesale or retail liquor-dealer, or the payment of any other special tax, shall not relieve any person who sells manufactured tobacco or cigars from the payment of this tax. No manufacturer of tobacco, snuff, or cigars is required to pay a special tax as dealer in manufactured tobacco and cigars for selling his own product at the place of manufacture in the original stamped packages.

Persons travelling on passenger railroad trains or steamboats or other vessels engaged in the business of carrying passengers, for the purpose of selling tobacco and cigars, or making sales of the same, are held to be dealers in tobacco, instead of peddlers, and are allowed to sell at retail from properly-stamped packages under a special-tax stamp issued to them as dealers.

MANUFACTURERS OF TOBACCO.

Manufacturers of tobacco shall each pay ten dollars. Every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, crushing, or rubbing of any raw or leaf tobacco, or otherwise preparing raw or leaf tobacco, or manufactured or partially-manufactured tobacco or snuff, or the putting up for use or consumption of scraps, waste, clippings, stems, or deposits of tobacco resulting from any process of handling tobacco, or by the working or preparation of leaf tobacco, tobacco-stems, scraps, clippings, or waste by sifting, twisting, screening, or any other process, shall be regarded as a manufacturer of tobacco.

MANUFACTURERS OF CIGARS.

Manufacturers of cigars shall each pay ten dollars. Every person whose business it is to make or manufacture cigars for himself, or who employs others to make or manufacture cigars, shall be regarded as a manufacturer of cigars. Every person whose business it is to make cigars for others, either for pay, upon commission, on shares or otherwise, from material furnished by others, shall be regarded as a cigar-maker. Manufacturers of tobacco, snuff, and cigars are not required to pay special tax as dealers for selling the product of their own manufacture in unbroken stamped packages at the place of manufacture. When a manufacturer removes his goods from the place of manufacture for sale to a store or sales-room separate and distinct from his factory, he becomes liable to the special tax of a dealer in manufactured tobacco. A manufacturer, as such, can sell his products only in the original and unbroken packages, while as dealer he may retail from packages stamped according to law.

Cigar-manufacturers are not required to pay special tax as manufacturers of tobacco to entitle them to the privilege of purchasing tobacco-stamps properly to stamp refuse scraps, clippings, and waste incidental to their busi-

ness. Cigar-manufacturers are authorized to sell leaf tobacco, in quantities less than the original package, to other authorized cigar-manufacturers, for use in their own manufactories exclusively, without payment of the special tax required of leaf dealers.

Manufacturers of cigars who have paid the special tax as dealers may sell at retail from boxes packed, stamped, and branded in the manner prescribed by law, but cigars must be boxed, branded, and stamped before they are removed from the room used as a factory to the room where they are to be sold.

PEDDLERS OF TOBACCO.

Peddlers of tobacco are classified as follows, to wit:

When travelling with more than two horses, mules, or other animals, as of the first class, and shall pay fifty dollars.

When travelling with two horses, mules, or other animals, as of the second class, and shall pay twenty-five dollars.

When travelling with one horse, mule, or other animal, as of the third class, and shall pay fifteen dollars.

When travelling on foot or by public conveyance, as of the fourth class, and shall pay ten dollars.

Any person who sells or offers to sell and deliver manufactured tobacco, snuff, or cigars, travelling from place to place in the town or through the country, shall be regarded as a peddler of tobacco.

Peddlers are not allowed to break packages of tobacco and retail therefrom, but all sales made by them of their tobacco, snuff, or cigars, must be in the original and unbroken packages as the same were put up and prepared by the manufacturer thereof for sale, or for removal for sale or consumption.

Every peddler of tobacco, snuff, or cigars, travelling with a wagon, must have affixed to his wagon in a conspicuous place a sign, painted in oil-colors or gilded, giving his full name, business, and collection district.

The person who actually travels on foot or by public conveyance, or with one or more horses, mules, or other animals from place to place, in the town or in the country, and sells and delivers the goods, whether he owns the wagon and team, and the tobacco, snuff, or cigars, and sells the same on his own account or is simply the employé of the manufacturer or other person who owns the goods and the team, or either of them, while he has no interest in the sales and effects beyond his stipulated wages, is a peddler and will be required to pay the special tax and to perform the other duties required of peddlers.

The bond required of a peddler may be given by a firm, and a special-tax stamp and certificate may be issued to and in the name of the firm to peddle manufactured tobacco. Under such a stamp and certificate any member of the firm can travel and make sales and deliveries from their peddler's wagon, but no agent or employé of the firm can drive the wagon and make sales and deliver tobacco under the special-tax stamp and certificate so issued.

MANUFACTURERS OF STILLS.

Manufacturers of stills shall each pay fifty dollars, and twenty dollars for each still or worm for distilling made by him. Any person who manufactures any still or worm to be used in distilling shall be deemed a manufacturer of stills.

Whenever an old still or worm which has become unfit for use is repaired by the addition of new material to such an extent as to virtually result in the construction of a new still or worm, the manufacturer thereof will be held liable to the tax of twenty dollars for each still or worm so constructed by him. As to stills used for pharmaceutical and scientific purposes, see ruling in Internal-Revenue Record, vol. 22, p. 397.

By the act of March 1, 1879, a drawback is allowed under such rules and regulations as shall be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, upon all stills manufactured for export, and actually exported, where the tax thereon has been paid.

WHERE AND BY WHOM SALES CAN BE MADE UNDER SPECIAL-TAX STAMPS.

Special-tax stamps can be issued only to dealers in distilled spirits, wines, or malt liquors who sell at a fixed place, which shall be clearly indicated in the special-tax stamp.

The law does not provide for the peddling of either distilled spirits, wines, or malt liquors, and persons found selling the same in the manner of peddlers must be regarded as engaged in business not authorized by the special-tax laws.

Where, upon an order given to a driver or agent of an authorized liquor-dealer, liquors are sold at the regular place of business of the dealer, under his special-tax stamp, the liquors can be sent out by wagon or otherwise to the purchaser without additional liability under the law on the part of the agent or dealer; but the sale of liquors from a wagon or other vehicle, or in the manner of a peddler going from place to place, is contrary to the law and regulations.

The joint resolution of Congress, approved May 8, 1876, authorized the issue, under such regulations as the Commissioner of Internal Revenue may prescribe, of special-tax stamps to persons carrying on the business of retail dealers in liquors, retail dealers in malt liquors, or dealers in tobacco upon passenger-railroad trains or upon steamboats or other vessels engaged in the business of carrying passengers. Under that resolution it is held that persons employing agents, newsboys, or others to sell tobacco or cigars on railroad trains are liable to pay a special tax as dealers in manufactured tobacco for each and for as many persons as they may have travelling at any time for the purpose of making sales in the manner indicated. If wines or liquors are sold in a similar manner by agents passing from car to car the same ruling applies, but where spirituous liquors, malt liquors, cigars, and tobacco are sold only from one bar or a single room, as is generally the custom on steamboats, it is sufficient to pay the taxes for one place of business.

Where an association renting and occupying premises

or grounds, such as fair-grounds, trotting-parks, &c., employs persons as agents to sell liquors or tobacco for the benefit of the association at various points within the grounds or enclosure, but one special tax for the sale of liquors or tobacco, as the case may be, will be required of said association in respect of such sales; but where the privilege of making such sales is let to one individual who establishes several different stands where liquors or tobacco are sold, which stands are separated from each other by grounds occupied by the association or by other persons, the lessee is liable to special tax for each stand where sales are made.

Regular retail dealers in liquor or in malt liquors, or dealers in tobacco and cigars, holding special-tax stamps as such, may close their ordinary place of business for the time being, and, on the registry of the facts with the collector of the district in which the fair-grounds are situate, may do business under the regular stamps at one stand in the fair-grounds without payment of additional tax; but before opening again their regular place of business must make a new registry with the collector of the district in which the stamps were issued.—(18 Record, p. 81; section 3241, Revised Statutes.)

Where the person or persons succeeding to and carrying on the business for which a dissolved firm has paid special tax belonged to such firm, further special tax should not be exacted of such successor for carrying on the same business, at the same place, for the remainder of the period for which the stamp was issued to the old firm.

But where a person, a member of a firm, carries on the business after the firm's dissolution, and associates with him a person who was not a member of the old firm, the new firm so constituted should be required to pay special tax, and take out a new special-tax stamp, even though the name of such new firm be the same as that of the old.—(Internal Revenue Record, vol. 25, p. 69; Decision No. 178.)

PROVISIONS OF THE LAW COMMON TO SPECIAL-TAX PAYERS.

No person can lawfully be engaged in or carry on any trade or business hereinbefore mentioned until he has paid the special tax therefor imposed by section 3244.—(See section 3232.) Every person engaged in any trade or business on which a special tax is imposed by law, is required to register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is carried on. In case of a firm or company, the names of the several persons constituting the same, and their places of residence, should be so registered.—(Section 3233.) Any number of persons doing business in copartnership in one place are required to pay but one such tax.—(Section 3234.) The payment of the special tax imposed does not exempt from an additional special tax the person carrying on a trade or business in any other place than that stated in the collector's register; but this provision does not require a special tax for the storage of goods, wares, or merchandise in any other place than the place of business, nor for the sale by manufacturers or producers, except as otherwise provided, of their own goods, wares, and merchandise at the place of production or manufacture, and at the principal office or place of business, provided no goods, wares, or merchandise shall be kept except as samples at said office or place of business.—(Section 3235.)

Whenever more than one of the pursuits or occupations for which a special tax is required to be paid are carried on in the same place by the same person at the same time, the tax shall be paid for each according to the rates prescribed.—(Section 3236.)

All special taxes become due on the first day of May in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax must be reckoned for one year, and in the latter case it shall be reckoned proportionately from the first day of the month in which the liability to special tax commenced to the first day of May following.—(Section 3237.)

All special taxes imposed by law, including the tax on stills or worms, must be paid by the stamps denoting the tax.—(Section 3238.)

Every person engaged in any business or employment who is thereby made liable to a special tax, except tobacco-peddlers, must place and keep conspicuously in his establishment or place of business all stamps denoting the payment of said special tax.—(Section 3239.)

Every peddler of tobacco, snuff, or cigars, travelling with a wagon, must have affixed to his wagon in a conspicuous place a sign, painted in oil-colors or gilded, giving his full name, business, and collection district.—(Section 3382.)

When any person who has paid the special tax for any trade or business, dies, his wife, or child, or executors, or administrators, or other legal representatives, may occupy the house or premises, and in like manner carry on, for the residue of the term for which the tax has been paid, the same trade or business as the deceased before carried on, in the same house and on the same premises, without the payment of any additional tax.—(Section 3241.)

Any person who removes from the house or premises, for which any trade or business was taxed, to any other place, may carry on the trade or business specified in the collector's register at the place to which he removes, without the payment of any additional tax, provided that all cases of death, change, or removal, as aforesaid, with the name of the successor to any person deceased, or of the person making such change or removal, shall be registered with the collector who issued the special-tax stamps, and the collector in whose district the business is to be carried on.—(Section 3241.)

Every person or firm liable to special tax must, before commencing business, and thereafter, while continuing said business, on or before the 30th day of April, in each year, file with the collector or deputy collector a return, (on Form 11,) properly sworn to, stating the business in which he is engaged, or proposes to engage; and, in case of commencing business, the date on which he engaged in said business or occupation; and, if a firm, the names of all persons constituting the same, and the place where said

business or occupation is to be carried on.—(Section 3173, as amended by act of March 1, 1879.)

Whenever any person engages in or carries on business for which a special tax is required by law, refuses or neglects to render the return therefor required by law, the Commissioner of Internal Revenue is required to assess the tax due, and to add fifty per centum to such tax. In case of a false or fraudulent return, he is required to add one hundred per centum to the tax due. The amount so added shall be collected in the same manner as the tax. (Section 3176, Revised Statutes.)

If any person liable to pay special tax neglects or refuses to pay the same after demand, the amount shall be a lien in favor of the United States from the time when the assessment-list is received by the collector, except when otherwise provided, until paid, with the interest, penalties, and costs that may accrue in addition thereto upon all property and rights to property belonging to such person. (Section 3186.)

If any person liable to special tax neglects or refuses to pay the same within ten days after notice and demand, it is lawful for the collector or his deputy to collect the tax assessed as above described, with five per centum additional thereto, and interest thereon at the rate of one per centum per month, by distraint and sale of the goods, chattels, or effects, including stocks, securities, and evidences of debt of the person delinquent.—(Section 3187.)

Whenever any person, liable to internal-revenue taxes [including special taxes] imposed by law, neglects or refuses to make the required return, or makes a false or fraudulent return, the collector is authorized to summon before him such person, or any other person having possession, custody, or care of books of account containing entries relating to the business of such person, or any other person he may deem proper to appear before him and produce such books, and to give testimony, or to answer interrogatories under oath respecting any objects liable to tax or the returns thereof.—(Section 3173; see also section 3163.)

The payment of any tax imposed by the internal-revenue laws for carrying on any trade or business shall not

be held to exempt any person from any penalty or punishment provided by the laws of any State for carrying on the same within such State, or in any manner to authorize the commencement or continuance of such trade or business contrary to the laws of such State or in places prohibited by municipal law; nor shall the payment of any such tax be held to prohibit any State from placing a duty or tax on the same trade or business, for State or other purposes.—(Section 3243.)

PENALTIES.

Carrying on business of rectifier, wholesale or retail liquor-dealer, wholesale or retail dealer in malt liquors, or manufacturer of stills without payment of special tax.

Any person who shall carry on the business of a rectifier, wholesale liquor-dealer, retail liquor-dealer, wholesale dealer in malt liquors, retail dealer in malt liquors, or manufacturer of stills, without having paid the special tax as required by law, shall, for every such offence, be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than thirty days nor more than two years. And all distilled spirits or wines, and all stills or other apparatus fit or intended to be used for the distillation or rectification of spirits or the compounding of liquors owned by such person, wherever found, and all distilled spirits or wines and personal property found in the rectifying establishment or in any building, room, yard, or enclosure connected therewith and used with or constituting a part of the premises, shall be forfeited to the United States.—(Section 16, act February 8, 1875.)

Carrying on business of brewer without payment of special tax.

Every person who carries on the business of a brewer without having paid a special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than ten dollars nor more than five hundred dollars.—(Section 3242, Revised Statutes.)

Carrying on business of manufacturer of tobacco, snuff, or cigars, dealer in manufactured or leaf tobaccco, or retail dealer in leaf tobacco without payment of special tax.

Every person who carries on the business of a manufacturer of tobacco, snuff, or cigars, dealer in manufactured tobacco, dealer in leaf tobacco, or retail dealer in leaf tobacco, without having paid a special tax therefor, as provided by law, shall, besides being liable to the payment of the tax, be fined not more than five hundred dollars or be imprisoned not more than one year, or both, at the discretion of the court.—(Section 3242, Revised Statutes.)

Failure to expose special-tax stamp.

Every person who shall, through negligence, fail to place and keep the stamp denoting the payment of special tax, which he is by law required to pay, conspicuously in his establishment or place of business, shall be liable to a penalty equal to the special tax for which his business rendered him liable, and the cost of prosecution, but in no case shall the penalty be less than ten dollars, and where the failure to comply with this provision of law shall be through wilful neglect or refusal, then the penalty shall be double the amount above prescribed.—(Section 3239, Revised Statutes.)

False return.

Whenever any person delivers or discloses to the collector or deputy any false or fraudulent list or return, with intent to defeat or evade the valuation, enumeration, or assessment intended to be made, or being duly summoned to appear to testify or to appear and produce books as required by law, neglects to appear or produce said books, he shall be fined not exceeding one thousand dollars or be imprisoned not exceeding one year, or both, at the discretion of the court, with costs of prosecution.—(Section 3179, Revised Statutes.)

Peddler of tobacco refusing to exhibit special-tax stamp or certificate.

Whenever any peddler of tobacco refuses to exhibit his special-tax stamp and certificate, or either of them, as required by law, on demand of any officer of internal revenue, said officer may seize the horse or mule, wagon and contents, or pack, bundle, or basket, of any person so refusing, and the collector of the district in which the seizure occurs may, on ten days' notice, published in any newspaper in the district or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagons and contents, pack, bundle, or basket so seized shall not be forfeited.

Any internal-revenue agent may demand production of and inspect the peddler's special-tax stamp and the collector's certificate for peddlers; and refusal or failure to produce the same or either of them when so demanded shall subject the party guilty thereof to a fine of not less than fifty dollars, nor more than five hundred dollars, and to imprisonment for not less than thirty days, nor more than twelve months.—(Section 3383, Revised Statutes, as amended March 1, 1879.)

DISTILLED SPIRITS.

Distilled spirits being the most important source of revenue, a large portion of time must be devoted to observing the operations at distilleries, and of persons engaged in the production, manipulation, and sale of spirits.

By the Revised Statutes of the United States, section 3251, it is provided that there shall be levied and collected on all distilled spirits on which the tax prescribed by law has not been paid, a tax of 70 cents on each proof gallon, to be paid by the distiller, owner, or person having possession thereof before removal from the distillery-warehouse; and the tax on such spirits shall be collected on the whole number of gauge or wine gallons when below proof, and shall be increased in proportion for any greater

strength than the strength of proof spirit as defined in section 3249 of the Revised Statutes; and any fractional part of a gallon amounting to one-half gallon or over in a cask or package shall be taxed as a gallon, and any fractional part of a gallon less than one-half gallon in any cask or package shall be exempt from tax.

By section 1 of the act of March 3, 1875, it is provided "That from and after the passage of this act there shall be levied and collected on all distilled spirits thereafter produced in the United States, a tax of ninety cents on each proof gallon, or wine gallon when below proof, to be paid by the distiller, owner, or person having possession thereof, before removal from the distillery bonded warehouse; and so much of section three thousand two hundred and fifty-one of the Revised Statutes of the United States as is inconsistent herewith is hereby repealed."

Every proprietor or possessor of, and every person in any manner interested in, the use of any still, distillery, or distilling apparatus, is made jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom, and the tax is a first lien on the spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, and on the lot or tract of land whereon the distillery is situated, together with any building thereon, from the time said spirits are in existence as such until the tax is paid.

Section 3248, Revised Statutes, provides that distilled spirits, spirits, alcohol, and alcoholic spirits, within the true intent and meaning of this act, is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation of grain, starch, molasses, or sugar, including all dilutions and mixtures of this substance; and the tax shall attach to this substance as soon as it is in existence as such, whether it be subsequently separated as pure or impure spirit, or be immediately, or at any subsequent time, transferred into any other substance, either in the process of original production or by any subsequent process.

Section 3249, Revised Statutes, provides that proof spirit shall be held to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity

of seven thousand nine hundred and thirty-nine ten thousandths (.7939) at sixty degrees Fahrenheit.

Section 3254, Revised Statutes, provides that all products of distillation, by whatever name known, which contain distilled spirits or alcohol, on which the tax imposed by law has not been paid, shall be considered and taxed as distilled spirits.

Section 3282, Revised Statutes, as amended by the act of March 1, 1879, reads as follows:

"No mash, wort, or wash, fit for distillation or for the production of spirits or alcohol, shall be made or fermented in any building or on any premises other than a distillery duly authorized according to law; and no mash, wort, or wash so made and fermented shall be sold or removed from any distillery before being distilled; and no person, other than an authorized distiller, shall, by distillation, or by any other process, separate the alcoholic spirits from any fermented mash, wort, or wash; and no person shall use spirits or alcohol in manufacturing vinegar or any other article, or in any process of manufacture whatever, unless the spirits or alcohol so used shall have been produced in an authorized distillery and the tax thereon paid. Every person who violates any provision of this section shall be fined for each offence not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years: *Provided further*, That nothing in this section shall be construed to apply to fermented liquors, or to fermented liquids used for the manufacture of vinegar exclusively. But no worm, goose-neck, pipe, conductor, or contrivance of any description whatsoever, whereby vapor might in any manner be conveyed away and converted into distilled spirits, shall be used or employed or be fastened to or connected with any vaporizing apparatus used for the manufacture of vinegar; nor shall any worm be permitted on or near the premises where such vaporizing process is carried on. Nor shall any vinegar factory, for the manufacture of vinegar as aforesaid, be permitted within six hundred feet of any distillery or rectifying-house. But it shall be lawful for manufacturers of vinegar to separate, by a vaporizing process, the alcoholic property from the mash produced by them,

and condense the same by introducing it into the water or other liquid used in making vinegar. No person, however, shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than two per centum of proof spirits. Any violation of this provision shall incur a forfeiture of the vinegar, fluid, or material containing such proof spirits, and shall subject the person or persons guilty of removing the same to the punishment provided for any violation of this section. And all the provisions of sections thirty-two hundred and seventy-six, thirty-two hundred and seventy-seven, and thirty-two hundred and seventy-eight of the Revised Statutes of the United States are hereby extended and made applicable to all premises whereon vinegar is manufactured, to all manufacturers of vinegar and their workmen or other persons employed by them."

USE OF ALCOHOLIC VAPOR IN THE MANUFACTURE OF VINEGAR.

Section 3282, as amended, no longer contains the restrictions forbidding the use of alcoholic vapor and the distillation of fermented liquids in the manufacture of vinegar, and manufacturers of vinegar are expressly authorized to separate by a vaporizing process the alcoholic property from the mash produced by them, and to condense the same by introducing it into the water or other liquid used in making vinegar.

But the use for this purpose of any worm, goose-neck, pipe, conductor, or contrivance of any description, whereby the vapor might be removed and converted into distilled spirits, is as expressly interdicted, "nor shall any worm be permitted on or near the premises where such vaporizing process is carried on."

The provisions of sections 3276, 3277, and 3278, Revised Statutes, are extended and made applicable to all premises whereon vinegar is manufactured, and to the manufacturers, their workmen and employés.

Revenue officers now have the same right to enter into vinegar factories and to examine the premises, apparatus,

methods of operation, material in course of manufacture, and the product, as they have at distilleries and rectifying-houses; and any refusal to admit them, or hindrance, or obstruction of them in the performance of their duty is punishable with like penalties.

Collectors and their deputies and revenue agents will be expected and required to visit all vinegar factories within their districts frequently, and to carefully examine the processes of manufacture, the machinery or apparatus in use, and the character of the product, and make due report thereon.

When water is used as the recipient of the alcoholic vapor, the resulting mixture should be frequently tested, to see at what proof it is raised, and at what proof it is acetified.

No person shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than two per centum of proof spirits.

The vinegar or fluid removed from vinegar factories should from time to time be tested to ascertain if it contains any greater proportion of proof spirits than is permitted by law.

The absolute prohibition by the statute of a worm upon or near the premises gives additional force to the otherwise clear intent of the law, that the alcoholic vapor which the vinegar manufacturer is at liberty to separate from the mash shall not be condensed by any cooling agency applied to any vessel containing it, or the liquid which receives it, or to the liquid itself, but must be conducted directly into and condensed solely by contact with the water or other liquid used in making vinegar.

Any apparatus for the separation of the vapor other than by the shortest and most direct method of introducing the vapor from the mash to and into the fluid intended to receive and condense it is not warranted by law, and the presence of any worm or other contrivance whereby the vapor can be condensed before or without infusion into water or some other liquid or material should be promptly reported to the collector of the district and to this office.

No vinegar factory for the manufacture of vinegar as

aforesaid can be permitted to operate within six hundred feet of any distillery or rectifying-house.

EXAMINATION OF DISTILLERIES BY AGENTS.

Agents will be required to visit each grain and molasses distillery in their districts at least once a month, if practicable, and less important duties should be omitted, if necessary, to enable them to do so.

These visits should be made at irregular intervals, both by day and night, and be so arranged that the distiller and storekeeper can have no intimation in regard to the time of their occurrence.

Whenever a revenue agent is assigned to a district, he should carefully examine each distillery therein, and forward to this Office a report of its condition, on Form 19, but reports on that form are not required at each monthly visit of the agent to the distilleries once reported upon by him.

The examination of each distillery must be critically made with a view to ascertain whether it is constructed and operated as required by law and the regulations of this Office, and to determine whether opportunity exists for the abstraction of spirits therefrom without the payment of the tax imposed by law. It is of the most vital importance that the examining officer should arrive at the distillery without being anticipated, in order that his report may show the usual condition of affairs. Where fraud is detected which will justify the seizure of a distillery, the facts should be immediately reported to the collector of the district, and prompt action taken by him to seize the same. Preliminary to the examination, in cases where it is practicable, a careful watching of the distillery should be instituted by day, and every package of spirits counted as it is taken from the warehouse. If possible, the packages should be followed to their destination, and careful memoranda taken of all that is observed. The distillery should then be watched at night to ascertain if any spirits were removed after sunset and before sunrise, and, if so, to follow them to their destination. These memoranda should afterward be compared

with withdrawal entries in collector's office. Upon entering the distillery the first demand should be to see the storekeeper, and thus ascertain whether he is upon duty. The next movement should be to the fermenting-room and accurate memoranda made, according to numbers, of the fermenting-tubs, empty and filled. If the officer is sufficiently expert to be able to judge whether any of the mashes have been set within the day, a memorandum of this fact should be made for future comparisons. The officer should then proceed to the cistern-room to examine if the locks are in good condition, and should examine critically if there is any possible entrance to the room except through the door when open. To this end he should very carefully examine the staples, bolts, and hasp in the door, and the boards forming a part of the room, to see if any could be easily removed; and also the roof, to ascertain whether any openings would permit the introduction of pipes or hose by which spirits might be pumped out. The books of the storekeeper should then be examined to see whether they correspond with the condition in which the fermenting-tubs were found as to emptying and filling. The warehouse should then be visited, and, if practicable, the number of packages counted and compared with storekeeper's books, showing number in warehouse. The barrels should be examined to see if warehouse stamps are properly affixed and cancelled, and whether they bear any indication of having been reused. If the gauger is present, the examining officer should enter the cistern-room and ascertain whether the cocks are all locked, and the proper amount of spirits in cisterns. The various high and low-wine pipes should be critically examined to see if any opening exists by which, under any circumstances, spirits could be withdrawn without entering the cistern-room. All stop-cocks in the pipes leading from the still should be tried to see if they can be so manipulated by unscrewing as to allow of spirits being abstracted.

Hoppers or conductors used for conveying meal to the mash-tubs should be examined to see if they are so constructed as to prevent the use of more grain than the quantity fixed by the surveyed capacity in use. Scales

used for weighing grain brought upon the premises, and for mash, should be tested. Locks upon the hoppers and meal-spouts should be examined, and it should be ascertained if the keys to the same are in possession of the storekeeper.

A book (No. 45) has been prescribed for the use of collectors as a "Record of registered grain and molasses distilleries." If, before visiting a distillery for the purpose of reporting its condition, (on Form 19,) agents will consult this book, and take from the record of the distillery about to be visited the number of stills registered and in use, date of notice, description of premises, date of survey, the fermenting period under which it is operating, the fermenting and spirit-producing capacity for the various kinds of material used, the dates of all suspensions and resumptions of work, and of the changes in capacity, and the true spirit-producing capacity resulting from such changes, the examination will be greatly facilitated.

To enable an agent to so fully understand the operations at a distillery as to readily discover violations of law, a knowledge of the principles upon which the producing capacity is determined is indispensable. Attention is called to the instructions governing the survey of grain and molasses distilleries, published in Series 7, No. 7, pages 12 to 18, inclusive, and Series 7, No. 7, Supplement No. 2, page 1.

As careful examination as possible should be made at every distillery visited to ascertain if the survey under which it is operating represents its true producing capacity. If the measurements are found to be incorrect, or the estimates upon which the mashing, fermenting, or spirit-producing capacity are based, are believed to be erroneous, a special report should be made to the Commissioner, and a copy of the same sent to the collector.

Care must be taken to ascertain if the fermenting period adopted by the distiller is strictly conformed to. By the use of the saccharometer and careful observation of the condition of the mash in the fermenters, an experienced officer can usually determine when the mash in process of fermentation was set.

No saccharometer having yet been adopted, distillers

may use such saccharometers for ascertaining the gravity of beer as are in good repute and general use among brewers and distillers. The name of the scale used should, however, always be noted on the yeasting-book.

Under the provisions of section 3259, Revised Statutes, the distiller is required to state the fermenting period which he proposes to use, and the quantity of spirits which he will produce. This may or may not be the true spirit-producing capacity of his distillery; but having so stated it, he cannot change his fermenting period without notice to the collector, or proper deputy collector, as provided in said section; if he does, he renders himself liable to heavy penalties. This is his own statement, entirely distinct from and independent of the true spirit-producing capacity as estimated and determined under section 3264, Revised Statutes. It is to be made and filed before any action is taken under section 3264. If, after his true producing capacity is determined under section 3264, he chooses to adopt a fermenting period corresponding to that assumed by the collector and person designated to aid him, he may do so by giving the proper notice. If he does it without such notice he subjects himself to penalties.

The number of dry inches actually used by the distiller should be ascertained by measurement, and if the dry space is less than that allowed in the survey, the fact should be specially reported to the Commissioner and to the collector.

Fermenting-tubs not in use, or reported "closed," must be critically examined to see if there are any indications that they have been used without authority, or if they can be used without the knowledge of the storekeeper.

After completing his examination at a distillery, having noted the fermenters open and closed, those filled and empty, the indication of the saccharometer and thermometer in testing the condition of the beer contained in each fermenter, and other material facts, the agent should carefully examine the storekeeper's record and the distiller's yeasting-book to see if the entries therein are correct. In order to satisfactorily determine the correctness of the record, he should commence with the entries of the filling

and emptying of fermenting-tubs two or three months previous to the day upon which his examination is made, and trace them up consecutively to date, carefully noting the date of closing or opening any of the tubs, the quantity of grain mashed, and spirits produced, from day to day. He should then examine the records of the collector's office for the purpose of verifying the records at the distillery, and the result of his examination.

REPORT OF EXAMINATION.

Whenever any change of condition, irregularity, or violation of law is discovered at a distillery, or neglect, or dereliction of duty by the storekeeper or gauger is observed, it should be promptly reported to this office and to the collector of the district.

OFFICERS' RIGHT OF ENTRY.

Any revenue officer or agent (section 3276, Revised Statutes, as amended) may at all times, as well by night as by day, enter any distillery or building or place used for the business of distilling, or used in connection therewith for storage or other purposes, and, if not admitted upon demand, having declared his name and office, he may break open any doors or windows, or break through any of the walls of such premises necessary to be broken to enable him to enter. Any officer or agent (section 3286, Revised Statutes, as amended) may require the water in any worm-tub to be drawn off and the tub and worm cleansed at any time when the still is not at work, and the water must be kept out of the worm-tub for two hours, or until the officer has finished his examination.

On demand of any revenue officer or agent, (section 3277, Revised Statutes, as amended,) every distiller or rectifier must furnish strong, safe, and convenient ladders, and supply all assistance, lights, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus belonging to such person, and open all doors, and open for examination all boxes, packages, casks, barrels, and other vessels not under the control of a revenue officer in charge.

NO DISTILLERY ALLOWED TO RUN WITHOUT COMPLIANCE WITH REGULATIONS.

Under no circumstances must a distillery be allowed to run until all the requirements of the law and regulations have been complied with, and any distillery found running without such compliance must be immediately stopped.

REGISTRY OF STILLS.

Every person having in his possession, custody, or under his control any still or distilling apparatus, set up, is required to register the same with the collector of the district in which such still or distilling apparatus is located. Such registry must be made immediately after the still or distilling apparatus comes into the possession, custody, or under the control of such person, whether it be a new still or distilling apparatus, or whether one party succeeds another in the possession, custody, control, or use of such still or distilling apparatus. This registry will be made on Form 26, in duplicate, and delivered to the collector, who will retain and preserve one copy and will immediately forward one copy to the Commissioner of Internal Revenue. Said registry must state the city or town, county, State, district, and division in which such still or distilling apparatus is located, the name and residence of the owner, the kind of still, the cubic contents in gallons, whether intended for use or not, and if for use the purpose for which it is to be used, the serial number of the distillery in which it is located, and must be signed by the owner or person in whose possession, custody, or control such still or distilling apparatus may be, and also by the deputy collector of the division, and must also give the date of such registry. The law requires all stills set up to be registered, whether intended for use or not, and this applies to all stills, of whatever size and for whatever purpose intended, whether for the distillation of spirits or for pharmaceutical or other purposes; and any still or distilling apparatus which is not so registered is subject to forfeiture to the United States; and the person whose duty it is to register any still or distilling ap-

paratus, failing to do so, is subject to the penalty of section 3258, Revised Statutes.

NOTICE BY DISTILLER.

Every person engaged in the business of a distiller, or intending to engage therein, or who wishes to continue in such business on and after the 1st of May of each year, must give notice of such intention, (section 3259, U. S. Revised Statutes,) over his own signature, to the collector, who will forward a certified copy of such notice to the Commissioner of Internal Revenue. This notice will be given on Form 27*a* in case of a distiller using materials other than apples, peaches, or grapes, and on Form 27½ in case of a distiller using apples, peaches, or grapes exclusively.

In preparing the notice on Form 27*a*, reference should be had to sections 3259, 3262, and 3271, Revised Statutes, and the notice should be prepared in strict conformity therewith.

The Form 27*a*, required in the case of a distiller from grain or molasses, must fully state the name and place of residence of the person giving the said notice, or, if a company, firm, or corporation, the name and residence of each member thereof, or stockholder therein, the name and residence of every person interested, or to be interested, in the business; the place where said business is to be carried on; the kinds of stills and cubic contents of each; the mode of boiling; number and kind of boilers; number of mash-tubs and fermenting-tubs, and cubic contents of each, in gallons; the mode of mashing and fermenting; the number of hours the distiller will ferment each tub of beer; kind of materials to be used; the estimated number of bushels of grain or gallons of molasses that can be mashed or fermented in a day of twenty-four hours, and the estimated number of proof gallons of spirits that can be produced in the same time; the number of receiving-cisterns and cubic contents of each, in gallons; a particular description of the lot or tract of land on which the distillery and warehouse are situated; the size and description of all buildings on the premises, and of what materials

constructed; that the warehouse is on and constitutes a part of the distillery premises, and that no door, window, or other opening therefrom leads into the distillery or other building; and that the said distillery premises are not within six hundred feet in a direct line of any premises authorized to be used for rectifying or refining distilled spirits.

This notice must set forth clearly the present condition of the title to the distillery and premises, whether or not it is in fee-simple and unincumbered, or, if incumbered, whether the consent of the owner or owners, mortgagees, judgment creditors, or lien-holders has been obtained; or, in lieu thereof, the bond filed as required in section 3262 of the Revised Statutes.

Errors most frequently occur in the description of the distillery premises, either in being too indefinite or embracing a large tract of land, most of which evidently constitutes no part of the distillery premises. The description should be limited to the lot or parcel of land actually used in connection with the distillery, and for that purpose alone, and should be as particular as is required in a deed of conveyance, and the title thereto should be shown by an official abstract from the county or other records of real estate, to be filed with the collector.

The importance of so accurately describing the premises will be seen, when it is remembered that, under certain circumstances, the Government acquires important liens thereon; that the distiller is prohibited from carrying on any other business on his distillery premises; that revenue officers have certain rights to enter and inspect distillery premises; and that in certain cases the distillery premises are forfeited to the United States. The extent of the premises, therefore, should be definite and certain, and the description in Form 27*a* is that which must be referred to to determine their extent.

The distiller must name in his notice, Form 27*a*, the "number of hours in which he will ferment each tub of mash or beer," and will be required to operate his distillery upon this fermenting period; but assessments will be made against him on the basis of the survey, a copy of the report of which was last delivered to him.

In case of any change in the location, form, capacity, agency, ownership, superintendency, persons interested in the business of such distillery, or in the fermenting period, notice thereof must be given in writing to the collector of the district or to the deputy collector of the division within twenty-four hours after such change. Any deputy collector receiving such notice shall immediately transmit it to the collector, and the collector will immediately forward a copy of such notice to the Commissioner of Internal Revenue.

CHANGE OF OWNERSHIP.

Where the title to the estate upon which an authorized distillery is located is changed by a sale, judicial or otherwise, or there is any change of ownership in the premises or distilling apparatus, or where the lot or tract of land on which the distillery stands, or any part thereof, or any of the distilling apparatus, subsequent to the approval of the bond, becomes subject to or incumbered by any mortgage, judgment, or other lien; or any person becomes interested in the business, other than those stated on Form No. 27*a*, it is no longer an authorized distillery. In such case there must be a new notice on Form No. 27*a*, and all the steps taken the same as in case of a new distillery, except that the distiller may adopt or assent in writing to the correctness of the plan and survey on file, and the proper correction should be made upon the registry of the still.

CONSTRUCTION OF DISTILLERIES.

The door of the furnace of every still or boiler used in any distillery (section 3269) must be so constructed that it may be securely fastened and locked. This must be so done that the Government locks may be applied, and so as to effectually prevent the doors from being opened, or the fires lighted in the furnace when locked.

The fermenting-tubs must be so placed as to be easily accessible to any revenue officer, and must each have painted thereon in oil-colors its cubic contents in gallons,

with the number of the tub, in figures not less than three inches in length and two and one-half inches in breadth, which should correspond with that given in the notice and on the plan.

There must be a clear space of not less than one foot around every wood still, and not less than two feet around every doubler and worm-tank. All high and low-wine tubs, and all vessels used as receptacles for spirits between the outlet of the worm and the receiving-cisterns must be so constructed as to admit of examination of every part thereof. The doubler and worm-tanks are to be elevated not less than one foot from the floor. Every fixed pipe, except those used only for the conveyance of water or of spent mash or beer, must be so fixed and placed as to be capable of being examined for its whole length, and must be painted and kept painted as follows: Pipes for the conveyance of mash or beer, of a red color; for the conveyance of low wines back into still or doubler, blue; for the conveyance of spirits, black; for the conveyance of water, white; and they must be designated by those colors on the plan.

The distillery must be so constructed as to render it impossible for more grain to be added to the mash without the knowledge of the storekeeper, after the proper quantity of each kind of grain has been weighed out by him. Under section 3270, Revised Statutes, the Commissioner of Internal Revenue is authorized to require such changes of or additions to distilling apparatus, connecting-pipes, pumps, or cisterns, or any machinery connected with or used in or on the distillery premises, or may require to be put on any of the stills, tubs, cisterns, pipes, or other vessels such fastenings, locks, or seals, as he may deem necessary. It is therefore prescribed, that in all grain-distilleries, the meal-room shall be locked and otherwise secured by proper fastenings, and the meal-hoppers, through which the meal is conveyed to the mash-tub, shall be securely covered and locked, the storekeeper to have possession of the keys. In cases where it is impracticable to have meal-hoppers, a room may be constructed in the story above the mash-tub, to be securely locked and fastened, the storekeeper to have possession of the

key. In case of a distillery only one story in height, a room may be constructed in the distillery-building, in which all the grain brought on the distillery premises shall be stored under the lock and key of the storekeeper. No one shall have access to the meal-room except in the presence of the storekeeper. All openings in the pipes or vessels, between the still and receiving-cisterns, must be secured and locked, the key at all times to be in the possession of the storekeeper.

EXEMPTION OF SMALL DISTILLERIES FROM CERTAIN REQUIREMENTS OF LAW.

Under the authority given by section 5 of the act of March 1, 1879, distillers whose distilleries have a daily spirit-producing capacity of thirty gallons of proof spirits or less, as estimated and determined by a survey made according to law, are hereby exempted from certain provisions of sections 3263, 3267, and 3269 of the Revised Statutes, as follows:

1st. From so much of the provisions of section 3263 as require a plan of the distillery to be had or furnished by the distiller.

2d. From so much of the provisions of sections 3267 and 3269 as require that the open or clear spaces above, below, or around the receiving-cisterns, wood-still, doubler, and worm-tanks, shall be of any greater extent or dimensions than is necessary to afford a clear, distinct, and uninterrupted view around, above, and beneath each of said vessels or utensils.

It will be observed, however, that such distillers are relieved from no other requirements of the law save those specifically set forth above, and that in all other respects they are bound by existing law and regulations concerning the construction of distilleries and the duties and obligations of distillers.

CISTERN-ROOM.

Section 3267, Revised Statutes, requires that the owner, agent, or superintendent of any distillery shall erect in a room or building, to be provided and used for that purpose,

and for no other, and to be constructed in the manner to be prescribed by the Commissioner of Internal Revenue, two or more receiving-cisterns, *each* to be at least of sufficient capacity to hold all the spirits distilled during a day of twenty-four hours.

These receiving-cisterns must be placed in a room or building made perfectly secure, said room or building to be so constructed as to render it impossible for any person to enter in the absence of the gauger without detection. The ceiling and walls inside of such room or building must be plastered, or cased with matched boards, and if such room or building is constructed of wood, the walls of such room or building must also be clapboarded on the outside or sided up in the manner usually employed for weather-boarding. The floor must be of brick or stone laid in cement, or of concrete or cement, or of ordinary flooring-plank, the same to be tongued and grooved, or laid double, the boards crossing each other at right angles, and in either case to be securely nailed or fastened. To each window must be affixed solid shutters of wood or iron, so constructed that they may be securely barred and fastened on the inside. The door must be thick and substantial, and so constructed that it may be securely locked and fastened. The hinges on the window-shutters and door must be so affixed as to prevent their removal from the outside. The staple to which the Government lock is applied must be well secured, so that it cannot be drawn or removed.

The receiving-cisterns must be so constructed as to leave an open space of at least three feet between the top and the roof or floor above, and a space of not less than eighteen inches between the bottom and the floor below, and they must be separated so that the officer may pass around them; and the pipes or other apparatus by which the cisterns are connected with the outlet of the stills, boilers, or other vessels, must be so constructed as to be always exposed to the view of the officer, and so as to prevent the abstraction of spirits while passing from the outlet of the worm or condenser back to the still or doubler, or forward to the receiving-cistern. These cisterns must not be connected with each other. Where a distiller

draws off his spirits but once in three days he must have three cisterns. He cannot, in any case, have less than two. The product of each day's distillation shall be kept separate, and where one kind of spirit only is produced, it must all be run into one receiving-cistern; where two or more kinds of spirits are produced, such as alcohol and high-wines, two or more cisterns may be used; but in no case can the product of one day's distillation be mixed with the product of another or second day. If the distiller has not provided at least two separate cisterns, each of a capacity sufficient to hold a full day's product, when running at the full capacity of the distillery, the collector has no right to approve his bond.—(See Internal-Revenue Record, vol. 25, page 149.)

The top of each cistern must be securely covered, and no opening will be allowed in the top, except one of sufficient size to allow the gauger to properly plunge or mix the spirits with the water introduced for reducing the spirits to the proof desired.

Said opening must be so covered that it may be locked, and the gauger will lock the same on leaving the cistern-room and retain the key. The faucet, through which the spirits are drawn from the receiving-cisterns, must also be locked and the key kept by the gauger.

The stop-cocks that control the flow of the spirits to the receiving-cisterns must be so arranged as that the spirits may be run into either of the cisterns; and said stop-cocks, if in the receiving-room, must be controlled by rods, the handles of which must extend into the distillery, and be under lock and key; if such stop-cocks are outside of the receiving-room they must be boxed and securely locked; and in either case the storekeeper will keep the key. The storekeeper, and he alone, is authorized to change the flow of the spirits from one cistern to another.

SIGNS, FENCES, AND GATES.

Every person engaged in distilling or rectifying spirits, and every wholesale liquor-dealer, is required (section 3279, Revised Statutes) to place, and keep conspicuously on the outside of his distillery, rectifying establishment, or place of business, a sign, exhibiting in plain and legible

letters not less than three inches in length, painted in oil-colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words "Registered distillery," "Rectifier of spirits," or "Wholesale liquor-dealer," as the case may be.

Rectifiers are prohibited from putting up any sign indicating that they are distillers. Although the lawful sign at a distillery is "Registered distillery," yet it is held that section 3279 prohibits *any sign* being put up which would indicate to the public that the business of distilling may be carried on at a place which is not a lawfully-authorized distillery.

Under section 3275, Revised Statutes, no fence or wall of a height greater than five feet can be allowed around the premises of any distillery so as to prevent easy and immediate access thereto. The same section requires that every distiller shall furnish to the collector of the district as many keys to the doors and gates of the distillery as may be required by the collector from time to time; and the distillery must always be kept accessible to any officer or other person having such key.

PLAN OF DISTILLERY.

Previous to the approval of his bond every person intending to engage in the business of a distiller must, under the direction of the collector, cause to be made at his own expense an accurate plan and description in triplicate of the distillery and distilling apparatus, as provided in section 3263, Revised Statutes. Such plan must be on good paper or tracing-cloth, fifteen by twenty inches in size, with a margin of at least one inch on each side of the drawing; and where the distillery or distilling apparatus occupies more than one floor or story, each floor or story should be represented on a separate sheet, and each sheet shall bear the name of the distiller, the number of the distillery, and the number of the floor or story. The capacity of each tub or vessel should be marked on the plan in gallons.

The plan must show the exact location and entire course of each fixed pipe and its connection with the still,

doubler, or other vessel; and the purpose for which such pipe is used must be indicated thereon by its color. Pipes for the conveyance of mash or beer should be painted a red color; for the conveyance of low-wines back into still or doubler, blue; for the conveyance of spirits, black; for the conveyance of water, white.

After such plan is made, no alteration can be made in such distillery or distilling apparatus without the written consent of the collector, and such alteration must be shown by a supplemental plan and description, which should also be made in triplicate like the original. One of said plans is to be kept displayed in some conspicuous place in the distillery.

SURVEY OF DISTILLERIES.

Section 3264, Revised Statutes, as amended by the act of March 1, 1879, provides that "on receipt of notice that any person, firm, or corporation wishes to commence the business of distilling, the collector, or a deputy collector, to be designated by him, shall proceed in person, at the expense of the United States, with the aid of an assistant designated by the Commissioner of Internal Revenue for the purpose of making surveys of distilleries in that district, to make a survey of such distillery for the purpose of estimating and determining its true spirit-producing capacity for a day of twenty-four hours."

The statute requires the personal attendance of the collector, or a deputy collector, to be designated by him, as well as that of a designated assistant, for the purpose of making a survey.

But when the capacity of the distillery as stated by the distiller on Form 27*a* or 27½ does not exceed one hundred and fifty proof gallons of spirits every twenty-four hours, the survey may be made by the collector or a deputy without the aid of an assistant.

Surveys may be made without revisiting the distillery, when made for the purpose of correcting clerical errors or errors of computation existing in the report of a previous survey, or when the purpose of the resurvey does not require the remeasurement of the distillery utensils; as, for

example, when a resurvey is occasioned by a change in the period of fermentation, or in the strength of the mash or beer which the distiller proposes to use.

Accounts of expenses for making surveys will be required to state the daily spirit-producing capacity of the distillery, and, in case of a resurvey, the occasion for making the same.

If a deputy collector is designated for the purpose of making surveys, the designation must be in writing.

Collectors will report to this office the name of each deputy designated for this purpose, with the date of designation; and will also promptly report the revocation of such a designation and its date.

Reports of surveys will be made upon Form 123 in the case of a grain or molasses-distiller, and upon Form 99 in the case of a fruit-distiller, in triplicate, one copy to be delivered to the distiller, one forwarded to the Commissioner of Internal Revenue, and the other retained by the collector. Assessments are made upon the basis of each survey, from and including the date of delivery to the distiller. It is of the utmost importance, therefore, that the report forwarded to the Commissioner of Internal Revenue should bear a certificate showing the exact date when such report of survey was delivered to the distiller, and the collector must be able to verify the fact of such delivery, and the particular day thereof.

In making the survey, the officers will assume that the distiller will put his machinery and apparatus in good working order, use good material, and employ competent and skilful workmen, and so manage his business as to produce the most favorable results; and the question to be determined is, what, under such circumstances, is the number of bushels of grain or gallons of molasses which can be mashed and fermented in twenty-four hours, and the quantity of spirits that can be produced in the same time.

The *true spirit-producing capacity* of a distillery is not limited to what the distiller may produce by following a particular course which he has marked out, but what may be produced under favorable circumstances. The distiller, for instance, may say that he will mash a certain number

of bushels, and but once a day, and will use a portion only of his fermenting-tubs, and will ferment his mash, for instance, ninety-six hours; but what he could produce by that process is not the true spirit-producing capacity of his distillery, because he could mash double the proposed number of bushels, and three or four times instead of once per day, and can ferment twice or three times as much as he states, and of course increase his product in proportion. The true spirit-producing capacity of such a distillery is not the amount which is so proposed to be produced, but the amount which *can* be produced, using all the machinery and apparatus, under competent and skilful management, taking as a basis for the calculation such premises as will produce the best practical results.

In order to estimate and determine the true spirit-producing capacity of a distillery, it is necessary to ascertain the capacity of the mash and fermenting tubs. This should be done by actual and careful measurement, and the report must show, in inches and fourths of an inch, the greatest diameter, least diameter, and depth of each round or oval tub; the length, breadth, and depth of each square tub; the number of dry inches allowed for working or fermenting; its working capacity; the fermenting-tubs, in gallons; the mash-tubs, in bushels—estimating not less than one bushel to twenty-five gallons of mash. The mashing capacity may, however, be limited by the fermenting capacity, as the distiller would not, it is supposed, mash more than he could ferment; and where there is an excess of mashing capacity the fact should be noted, as the mash-tubs may be used for fermenters, or there may be facilities for fermenting which do not appear upon the plan.

To determine the capacity of fermenting-tubs the following rules will be observed, as sufficiently accurate for all practical purposes, though not mathematically correct. Having found the top and bottom diameters in inches, add them together, and divide by two. This will give the mean diameter of round tubs sufficiently near for all practical purposes. Multiply the square of the mean diameter by the decimal .0034, which will give the number of gallons and fractions of a gallon in four decimal places for

one inch of depth. Multiply the result so found by the depth (in inches) less the number of dry inches allowed for fermentation, as hereinafter prescribed, and the result will be the working capacity of the tub in gallons. For square tubs, multiply the length and breadth (in inches) together and divide by 231, and it will give the number of gallons for one inch of depth.

For oval tubs, multiply the greatest and least diameters of the top of the tub (in inches) together and that product by .0034, and the result will be the number of gallons for one inch of depth at the top of the tub. The same process with the greatest and least diameters of the bottom will give the number of gallons for one inch at the bottom. Add together the results so obtained and divide by 2, and it will give the mean capacity for one inch of depth. For barrel-shaped tubs, the rule in Gaugers' Instructions, page 19, for finding the capacity of a cask, is applicable. Having found the capacity in gallons for one inch of depth, the working capacities are obtained as in the first case, and may be stated in the report of survey, dropping all fractions under three-tenths of a gallon, calling three-tenths, or any intermediate fraction to seven-tenths, one-half, and seven-tenths or upward an entire gallon. Having found the aggregate working capacity of all the fermenters in gallons, the capacity of the distillery in bushels will be found by dividing the working capacity in gallons by the number of gallons of beer required by law to represent a bushel of grain, which is not more than forty-five, except in distilleries operating on the sour-mash principle, in which case not more than sixty gallons may be used as a divisor. In case the distiller wishes to use a thicker mash, the divisor will be proportionately less. Having found the aggregate working capacity of all the fermenters in bushels, the next step is to determine the number of bushels of grain that can be mashed and fermented in a day of twenty-four hours, and in order to determine the number of bushels that can be so mashed and fermented, it is necessary for the collector and his designated assistant to decide what, under all the circumstances, is the proper period to be allowed for fermentation, and in doing so they are not to be bound

by the period stated in the distiller's notice, (Form 27 *a*,) but are to take such period as, in their judgment, will, under ordinary circumstances, and with good management, produce the best results.

The matter of the fermenting period comes within the discretion and judgment of the collector and his designated assistant, and is a subject with which this Office has no disposition to interfere, further than to prescribe a maximum period for each class of distilleries. Authentic information, derived from the records of this Office, and from the experience of reliable men who were engaged in the manufacture of distilled spirits before any tax was levied thereon, has satisfied this Office that forty-eight hours is the maximum period to be allowed for fermentation in fixing the true spirit-producing capacity of a sweet-mash distillery. Seventy-two hours may be allowed as the maximum period for fermentation in sour-mash distilleries.

Sour-mash distilleries may be briefly described as those in which no fermenting agent other than spent beer or slop is used, but the grain is mixed with the slop directly from the still and allowed to remain twenty-four hours, at the end of which period the mash becomes hard and sour. It is then broken up and reduced with water, and allowed to undergo a natural fermentation, and it is believed that where spent beer or slop is the only fermenting agent used, the fermentation is not so rapid as in sweet-mash distilleries, where yeast is used; and the maximum fermenting period above stated (and not more than sixty gallons of beer to represent a bushel of grain) may be allowed in all sour-mash distilleries, without reference to the manner of heating, stirring, or distillation. This fermenting period is to be estimated from the time of the breaking up of the mash; the only exception being in case of distilleries in which the mashing and fermenting are done in the same tubs. In such cases the time will be estimated from the time of first scalding of the meal, and ninety-six hours will be allowed, as that period necessarily includes the twenty-four hours used for mashing, and all the tubs in the distillery will be treated as fermenters, and be embraced in the estimate of the capacity.

Where the distiller prefers, he may set aside certain of his tubs to be used exclusively for mashing, marking them each distinctly "mash-tub," and in such cases the capacity will be estimated upon the tubs used for fermenters, allowing seventy-two hours for fermentation, and the fermenting period will commence on the breaking up of the mash. Having thus determined the fermenting period, the twenty-four hours during which the tubs are required by law to stand empty are to be added thereto, and by this sum divide the working capacity (in bushels) of all the fermenters, and the result will show the number of bushels that can be mashed in one hour or one day, according as the divisor is in hours or days; and if in hours, multiply by 24, to find the quantity for one day of twenty-four hours.

The number of dry inches to be allowed for fermentation is also a subject for the discretion of the collector and his assistant; but as a large amount of information on this point has been received at this Office, based upon examination and experience, it is deemed advisable to fix a maximum for such allowance. In estimating the number of dry inches to be allowed, the collector and his assistant will be governed by the depth of the tubs; but it is believed that for tubs five feet or less in depth, three inches is a fair allowance where corn is used in excess of all other grains; five inches where corn and rye or other small grains are used in equal proportions; seven inches where rye is used in excess of all other grains, and ten inches where rye is used exclusively. To this allowance one-half inch may be added for each foot in depth in excess of five feet, except where rye is used exclusively, in which instance one inch may be added for each foot in excess of five.

Having thus found the number of bushels which can be mashed and fermented in twenty-four hours, the next point to be determined is, what quantity of spirits can, under all the circumstances, be produced from a bushel of grain—that is, what quantity of spirits can a practical distiller, with good management, produce from a bushel of good grain; and while no fixed rule can be laid down on the subject, it may be suggested that in or-

dinary distilleries this varies from three to four gallons, and in some cases over four gallons, as shown by the returns, or an average of three and a half gallons to the bushel. It may be safely assumed that it would require a strong case to justify an estimate of less than three gallons, and in such case the reasons for such an allowance must be fully reported to the Commissioner; and in all cases, where the estimate is below the average (three and a half gallons) an explanation will be required. Having determined this product, multiply the number of bushels that can be fermented in twenty-four hours by it, and the result will be the quantity of spirits that can be produced in twenty-four hours.

The capacity of a molasses-distillery is estimated upon the same principle. Having found the working fermenting capacity of the fermenters in gallons, as above stated, divide this by the number of gallons of mash which the distiller makes from a gallon of molasses, not exceeding seven gallons of mash for a gallon of molasses, and it will give the number of gallons of molasses required to fill the fermenters. Take the fermenting period, plus the twenty-four hours, and divide the amount as found above, and it will give the quantity which can be fermented in twenty-four hours. In a molasses-distillery the allowance of dry inches should be the same as in a grain-distillery where corn is used in excess of all other grain.

The period usually allowed for fermentation in determining the spirit-producing capacity of a distillery where New England rum is produced from molasses is six days, and is computed from the time the mash is set, that is, including the day when molasses is first placed in the fermenter, although the tub may not be filled until a subsequent day.

The quantity of spirit which can be produced from a gallon of molasses varies, of course, with the completeness of the apparatus and the quality of the material, from eighty to ninety-five per cent.—from eighty-five to ninety per cent. probably being a fair average; and in no case should a less allowance than this average be made without first submitting a full report of the reasons therefor to the Commissioner.

The report of the survey of grain-distilleries should embrace the estimated producing capacity for all the kinds of grain commonly used for the production of spirits, and should include an estimated capacity for both sweet mash and sour mash. The working capacity of each of the fermenting-tubs, whether open or closed, must be estimated and reported in the survey; also the exact working capacity at the time of making the survey.

In case any question arises as to the correctness of the survey, the collector will forward a draft of his report to the Commissioner before it is signed, in order that such questions may be determined.

The importance of these reports will be seen when it is remembered that they are the basis of large assessments, and they should, therefore, be in strict conformity with the requirements of the law. The reports must be signed by the collector of the district and his designated assistant. It will be observed that section 3264, Revised Statutes, provides that if the Commissioner of Internal Revenue shall at any time be satisfied that the report of the capacity of any distillery is in any respect incorrect, or needs revision, he shall direct the collector to make in like manner another survey of said distillery. There are cases, however, where, in order to prevent delay in the business of the distiller, it will be necessary for a new survey to be made without waiting for the order of the Commissioner. Those cases are, where a new distillery is about to start; where new tubs are put up in an old distillery; where tubs are cut down; or where a distiller gives notice that he wishes to use a thicker or thinner beer than that upon which his last survey was based, or that he wishes to use a different fermenting period from that fixed in his last survey, provided the strength of beer desired to be used is within the minimum prescribed in section 3264, Revised Statutes, viz., forty-five gallons for sweet mash, and sixty gallons for sour mash, as representing not less than one bushel of grain, and provided the fermenting period is within the prescribed maximum, viz., forty-eight hours for sweet mash and seventy two hours for sour mash. (See regulations concerning distilled spirits, Series 7, No, 7, pages 12 to 18, inclusive, and Series 7, No. 7, Supplement No. 2.)

DISTILLERY WAREHOUSES.

The law, section 3271, requires every distiller to provide, at his own expense, a warehouse suitable for the storage of distilled spirits, which must be situated on and constitute a part of his distillery premises. No dwelling-house can be used for such purpose; and no door, window, or other opening can be made or permitted in the walls of such warehouse leading into the distillery, or into any other room or building. No spirits can be stored in such warehouse except those manufactured by the distiller providing it. A portion of the distillery may be used for this purpose, but in such case it must be separated from the portion used for distilling by a solid brick or plank partition; and collectors will, when such warehouse is applied for, make careful examination as to the sufficiency of the division-wall. The entrance to such room must be from the street or yard. If such warehouse is a separate building, it must be upon the premises actually occupied for the distillery. It must be a portion of the distillery, adjoining the distillery-building, or within or adjoining the distillery-yard.

Whenever any party or parties desire to commence the business of distilling they should make a written application to the collector of the district in which the distillery is situated for the approval of a distillery-warehouse.

Applications for approval of warehouses must, in all cases, give the name or names of those who are to operate the distillery, and, if a company, the firm-name of the company as well as the individual names, the number of the distillery, and the precise location of the distillery premises, the material of which the warehouse is constructed, the size of warehouse, in width, length, and height, and number of rooms, describing particularly all the openings and connections. And such applications must be accompanied by a sketch or diagram accurately representing the warehouse, with all its connections, openings, and surroundings.

Upon the receipt of the application and diagram the collector will, by himself or one of his deputies, make a careful examination of the premises proposed, and if they

are found to be in conformity with the requirements of law and regulations, and properly set forth in the application and diagram, will at once transmit the application and diagram to this office, with his approval endorsed thereon, and a report of his examination, giving the estimated storage capacity of the warehouse, in barrels stored three tiers high on each floor, and the means provided for securing the safe custody of the spirits.

At the time of transmitting the application and his report thereon to this office, the collector should, in all cases, nominate some qualified storekeeper for assignment to the warehouse as soon as the same shall be approved.

In all cases of change of ownership or copartnership a new notice on Form 27*a*, application for approval of warehouse, report and nomination of storekeeper will be required, and in all such cases collectors should not approve the bond of the new distiller or new firm until notified from this office that the new warehouse has been approved as required in the case of new distilleries.

Applications for the approval of distillery warehouses cannot be granted until a certified copy of the distiller's notice to the collector, on Form 27*a*, and the plan and survey of the distillery have been received at this office and found to be correct.

In accordance with the provisions of the act of January 8, 1874, whenever, from death or other cause, a change occurs in a firm operating a distillery, a new firm may commence business in the same distillery, using a portion of the existing warehouse without the withdrawal of the spirits distilled by and belonging to the old firm, after having separated by a solid, secure, and unbroken partition that portion containing the spirits belonging to said old firm. That portion designed to be used by the new firm may be established as a distillery warehouse, and a storekeeper assigned by the Commissioner of Internal Revenue, upon notice being given by the new firm, on Form 27*a*, and compliance with all other requirements of law and regulations.

In their notice on Form 27*a*, they will distinctly describe the warehouse, taking care to except that portion

used for the storage of the spirits belonging to the old firm. They must also *state* that the portion to be used by the new firm is separated from that used by the old firm by a solid, secure, and unbroken partition.

The new firm will also be required to file with the application for approval of their warehouse the written consent of all the principals and sureties on the distiller's and warehousing bonds of the old firm, therein stating that the portion to be used by the new firm may be approved in the name of said new firm; and said written consent must expressly stipulate that such approval shall in no manner affect the liability of the principals and sureties on the existing distiller's and warehousing bonds of the old firm.

If, after the spirits of the former owner or firm have all been withdrawn from warehouse, the new owner or firm should desire to use the warehouse which has been excepted in the first notice on Form 27*a*, a new and amended notice on said form must be given, embracing said warehouse in the distillery premises, and then, upon the receipt of the required application and report, as hereinbefore provided, the same may be approved for the new proprietors.

Should distillers have occasion to extend their distillery premises by adding thereto adjoining land, or erecting additional buildings thereon, to be used in connection with their business of distilling, or for the storage of their spirits in bond, their notice on Form 27*a* must be amended accordingly; and if additions to distillery warehouses are desired, applications for the approval of the same must be made and forwarded to this Office in the same manner and with the same formalities as in the case of original warehouses.

No distiller may have more than one warehouse at the same time on the same distillery premises. Distillers may have access to the spirits in bond at any time, in the presence of the storekeeper, for the purpose of repairing cooperage, or to take any required measures to prevent waste by leakage. The warehouse must never be opened or left open except in the presence of the storekeeper.

Section 3271, Revised Statutes, provides that the dis-

tillery warehouse shall be under the direction and control of the collector of the district, and in charge of an internal-revenue storekeeper; and section 3274, Revised Statutes, places such warehouse in the joint custody of the storekeeper, and the proprietors thereof. The distiller shall on demand at reasonable times have admittance, in the presence of the storekeeper, to the warehouse and the spirits deposited therein, and may, in connection with the storekeeper, refuse admittance to any person not a revenue officer. The only lock to the warehouse-door must be the Government lock, the key of which must at all times be in charge of the storekeeper.

Whenever the Commissioner of Internal Revenue shall be of opinion that any warehouse is unsafe or unfit for use, or the merchandise therein liable to loss or great wastage, he may discontinue such warehouse, and require the merchandise therein to be transferred to such other warehouse as he may designate, and within a time to be prescribed by him at the expense of the owner of the merchandise. If such transfer is not made or such expense not paid by the owner, the merchandise will be seized and sold by the collector as upon distraint.—(Section 3272, R. S.)

When a distiller who has given notice of suspension, and re-registered his still as not for use, has withdrawn all the spirits from his distillery warehouse, the collector of the district is thereupon required to promptly report these facts to this office, giving the date of the last withdrawal, so that the warehouse may be discontinued and the storekeeper's assignment thereto revoked from said date.

Distillery warehouses will be continued as such until all the spirits stored therein are withdrawn as required by law and the conditions of the warehousing bonds, notwithstanding the distiller's bond may not have been renewed: provided there has been no change in the ownership of the premises used as a warehouse, and the necessary legal conditions of its establishment do not fail.

DISTILLERS' BONDS.

Every distiller, on filing his notice with the collector, must, before continuing or commencing business, and on the 1st day of May in each succeeding year, make and execute a bond in the form prescribed by the Commissioner of Internal Revenue, with at least two sureties. The form prescribed by the Commissioner is Form 30 in case of a grain or molasses-distiller, and Form 30½ in case of a distiller of brandy from apples, peaches, or grapes exclusively. It is the duty of the collector to fix the penal sum of such bond, in accordance with the provisions of section 3260, Revised Statutes, which sum must not be less than double the amount of tax on the spirits that can be distilled in the distillery during a period of fifteen days with all the fermenters and apparatus in use, and to determine whether the sureties are ample. Collectors will require the sureties on all distillers' bonds to justify on Form 33. When a bond is found to be properly filled up, and the sureties ample, the collector will approve the same, provided all the requirements of the law have been complied with, and will notify the Commissioner of Internal Revenue of his approval of such bond, giving the date of such approval, and forwarding at the same time a copy of such bond.

Under the provisions of section 3262 no distiller's bond can be approved unless he is the owner in fee, unincumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated, or unless he files with the collector, *in connection with his notice*, the written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other person having a lien thereon, that the premises may be used for the purpose of distilling spirits subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other incumbrance, and that in case of the forfeiture of the distillery premises, or any part thereof, the title of the same shall vest in the United States, discharged from such mortgage, judgment, or other incumbrance. This instrument must be duly acknowledged and executed with all the formalities re-

quired in conveyances of real estate, and, in case of consent of the owner of the fee, the wife must join in the execution and due acknowledgment thereof, so as to release her claim to dower. The consent should then be duly recorded before the same is filed with the collector.

As the question as to the title to the real estate is material, the collector should require of the distiller a properly-certified statement or abstract of the title to such estate to be exhibited to and filed with him, and full evidence as to what, if any, liens or incumbrances exist thereon.

Where the distiller's estate is for a term of years only, under a lease or other evidence of title *recorded before July twentieth*, 1868, *the distillery or distilling apparatus having also been erected prior to that date;* or in like case, where the lease or other evidence of title was not required by the laws of the State to be recorded in order to render it valid, or where the title was on July 20, 1868, and has continued to be, in litigation; or where there was a mortgage duly recorded prior to that date which is not due, or where the fee is held by a *femme covert*, minor, person of unsound mind, or other person incapable of giving consent as required in section 3262, *the distillery or distilling apparatus having also been erected prior to that date*, the distiller may, in lieu of the consent and stipulation aforesaid, give an additional bond on Form 3, heretofore prescribed, with not less than two sureties, residents of the district or county or an adjoining county in the same State, and owners of unincumbered real estate in said district or county, equal to the penal sum of the bond. In such case the collector will cause the value of the lot or tract of land, together with the buildings and distilling apparatus, to be appraised by two or more competent persons, to be designated by him, and the said appraisal may be increased by the collector if, in his judgment, the same is too low, and the penal sum of said bond must be equal to such appraised value. This is in addition to the distiller's bond required by section 3260, Revised Statutes, and a substitute for the ownership in fee of the distillery premises; and if the same sureties should be offered upon both bonds, the collector will see that they are the owners

of unincumbered real estate, as aforesaid, sufficient in value to cover their liability upon both bonds.

But none of these provisions apply to a case where the distillery and distilling apparatus were not erected prior to July 20, 1868.

Section 3262, Revised Statutes, provides "that in case of any distillery sold at judicial or other sale in favor of the United States, a bond may be taken at the discretion of the Commissioner of Internal Revenue, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale, on complying with all the other provisions of law."

The bonds of distillers, when approved, will be filed with the collector of the district. Where the distiller is not the owner in fee of the distillery premises, collectors must require a strict compliance with the provisions of section 3262, Revised Statutes.

Where bonds are not approved until after the 1st day of May, or where presented for approval on the 1st day of May, by those commencing business, the approval should not be made until the collector is advised by this office that the Form 27*a*, report of survey, plan, and warehouse are approved and storekeeper assigned; but in the case of those offering bond for approval on the 1st day of May, with the view of continuing business, the approval may be made without awaiting advices from this office.

No collector will (section 3261, Revised Statutes) approve the bond of any distiller until all the requirements of law and the regulations in relation to distilleries have been complied with.

No distiller's bond should be approved until his distillery-warehouse has been approved and established under section 3271, Revised Statutes, and a storekeeper assigned thereto by the Commissioner of Internal Revenue.

It being the duty, under the law, of collectors to approve the bonds of distillers, it is their duty to satisfy themselves that all such bonds are properly filled out and executed, and that the sureties are sufficient, before approving any distiller's bond. The Commissioner of Inter-

nal Revenue will give no instructions to nor interfere with collectors in the performance of such duties except in case of appeal, but will hold such officers strictly responsible for their action in each and every case.

LOCKS AND SEALS.

Under the provisions of sections 3267 and 3270, Revised Statutes, the Commissioner of Internal Revenue is authorized to procure all locks and seals required to be used at distilleries and distillery warehouses, at the expense of the United States; and to require to be put on any of the stills, tubs, cisterns, pipes, or other vessel, such fastenings, locks, or seals, as he may deem necessary. Locks are required upon all openings in the distilling apparatus by which access may be had to the spirits while in transit from the still to the receiving-cisterns, upon all caps or coverings of man-holes or other openings of copper stills or doublers, upon all openings or hoppers through which the meal is conveyed to the mash-tubs, upon the faucets and all openings of the receiving-cisterns, upon the door of the receiving-room, upon the door of the distillery warehouse, upon the door of the meal or grain-room, upon the valve in the pipe which conveys steam to the still, which must be closed and locked when distilling operations cease for the day, or whenever there is a temporary or permanent discontinuance of distilling, and upon the furnace-doors while the distillery is under suspension, which doors shall then be locked with locks used elsewhere while the distillery is in operation, to be taken from such points as may be designated by the collector, and delivered to the deputy collector by the storekeeper, for that purpose.

All openings found in the distilling apparatus by which access may be had to the spirit, while in transit, which are not absolutely necessary, and which can be permanently closed without injury to the distiller, will be closed in such manner and without the use of locks. Where the meal-hoppers, or openings through which the meal is conveyed to the mash-tubs, are so situated that, by aid of a bar or chain, they may be closed so as to be under

the control of the storekeeper, with one lock, such bar or chain will be procured and used instead of using a lock to each hopper or opening.

All openings in cistern-rooms and in distillery warehouses, except one door for each, must be securely barred upon the inside.

Seal-locks and seals will be used on the warehouse and cistern-room doors only. The seal-lock, which will be supplied for this purpose, will be accompanied by the requisite number of paper seals, engraved and numbered in consecutive order.

In cases where locks are required to be opened several times a day, the seal will not be inserted until the lock is closed for the night, unless the officer having the lock in charge should have occasion to absent himself from the distillery premises during the day.

For securing portions of the distillery premises, other than the doors of cistern-rooms and distillery warehouses, suitable plain locks will be furnished.

Gaugers and storekeepers are strictly prohibited from intrusting locks, keys, or seals in their charge to any person other than an internal-revenue officer entitled to receive the same, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

Violation of these instructions will be deemed sufficient cause for removal from office.

The Caton seal-lock having been adopted for use in the Internal-Revenue Service, no other seal-lock will hereafter be issued for use on the doors of cistern-rooms or warehouses. Seals will be furnished with the Caton lock, in sheets of fifty seals each, upon applications made in the usual forms, which seals will be used in consecutive order, and in the manner in which the Slaight seals are now used. The Slaight seal-locks now in use will be continued in service, and seals will be furnished for such locks as heretofore, and when they become worn out, broken, or otherwise unfit for use, the Caton seal-lock will be issued to replace such unserviceable locks.—(See Special No. 186, May 25, 1878—"Instructions to officers as to the use of the Caton seal-lock.")

NO OTHER BUSINESS TO BE DONE IN A DISTILLERY.

The use of any still, boiler, or other vessel, for the purpose of distilling, is forbidden (section 3266, Revised Statutes) in any dwelling-house, shed, yard, or enclosure connected therewith, or on board of any vessel or boat, or in any building or on any premises where beer, lager-beer, ale, porter, or other fermented liquors, vinegar, or ether are manufactured or produced, or sugars or sirups are refined, or liquors of any description are retailed, or *where any other business is carried on*, or within 600 feet in a direct line of any premises authorized to be used for rectifying. The only exceptions are the manufacture of saleratus and the grinding of meal or flour from grain to be used only for distillation on the premises. Where there are grist-mills adjoining a distillery they must be so entirely separated by solid walls and otherwise as to be in fact independent premises, although both establishments may be driven by the same power. They must be so arranged that the description of the distillery premises (on Form No. 27*a*) does not include the mill.

OPERATION AT DISTILLERIES.

Section 3310, Revised Statutes, provides that every distiller, at the hour of 12 meridian, on the third day after that on which his bond is approved by the collector, shall be deemed to have commenced, and thereafter to be continuously engaged in, the production of distilled spirits in his distillery, except during the time when work shall be suspended in accordance with the provisions of that section.

No malt, corn, grain, or other material (section 3283, Revised Statutes,) can lawfully be mashed, nor any mash, wort, or beer brewed or made, nor any still used by a distiller at any time between the hour of 11 in the afternoon of Saturday and 1 in the forenoon of the next succeeding Monday, under penalty of one thousand dollars for each offence.

REDISTILLATION ON DISTILLERY PREMISES.

Section 3244, Revised Statutes, declares that every person shall be regarded as engaged in the business of rectifying who rectifies, purifies, or refines distilled spirits or wines, by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete. Therefore a distiller may carry his product through as many processes of distillation as he pleases, provided the process is *continuous*, commencing with the distillation of the mash, wort, or wash, *the product of the distillation of the mash being carried through continuous closed vessels and pipes until the final product is deposited in the receiving-cistern.*

By the same section, distillers are allowed to purify or refine distilled spirits in the course of original and continuous distillation, through any material which will not remain incorporated with such spirits, when the manufacture thereof is complete. The only processes of refining or purifying known to this office, which can be allowed under the law, are redistillation, leaching, or vaporizing through charcoal, wood-shavings, flannel, or other similar purifiers. The apparatus to be used for purifying or refining in a distillery must be so attached as that the spirits will pass through the purifying process in their passage from the beer-still to the receiving-cistern, and their passage must be through vessels and pipes so closed as to preclude the distiller from access to the spirits in the course of their passage. All necessary openings must be under a prescribed lock, the key to be kept by the storekeeper, who will afford the distiller access to the vessels or pipes when necessary, but not, however, when spirits are flowing through the same. On the completion of the process of purifying or refining, the substance through which the spirits have passed must be disposed of in some manner, and it is held that such substance cannot be removed from the distillery premises without a violation of section 3276, Revised Statutes, which forbids the removal of distilled spirits to any place other than a distillery warehouse before the tax thereon has been paid.

It is a well-known fact that the substance through which the spirits have passed will retain a considerable quantity of spirits, even after the usual process for recovering such spirits, and distillers are therefore forbidden to remove from the distillery premises any charcoal, shavings, or other substance which has been used in the leaching-tubs, containing any spirits, but such substance may be consumed on the distillery premises as fuel, and will be entered upon the proper record in the same manner as other fuel.

FERMENTING-TUBS TO BE EMPTIED.

Section 3285, Revised Statutes, requires that fermenting-tubs be emptied at the end of the fermenting period, and that they shall remain empty for twenty-four hours. The fermenting period may be computed from the time when the filling begins, or when the tub is actually full, as the distiller may elect, but having adopted either time as the commencement of his fermenting period, he must conform to it with strict uniformity, and no change will be permitted without seasonable and proper notice to the collector.

At the end of the fermenting period, the tubs must be emptied and remain empty twenty-four hours; at the expiration of which time they may be filled, or may be closed and sealed if the proper notice for reduction of capacity has been given. In order that the product of each day's mashing may be kept separate, all the beer in the beer-well will be required to be distilled each day, and no fermenting-tub will be empted into the beer-well until the beer of the preceding day has all been taken therefrom; storekeepers cannot change the flow of spirits into another receiving-cistern until the spirits belonging to a given day have been run into their appropriate cistern.—(See Internal-Revenue Record, vol. 25, page 149.)

TUBS NOT IN USE.

Tubs not included in the working capacity of the distillery must be closed so as to effectually prevent the surreptitious use of them. Close-fitting covers should be

placed over them and securely fastened by nails, and so sealed as to make it impossible to use them without breaking the seals.

It has been found to be the practice in some districts to close and seal fermenting-tubs immediately after they have been emptied. This practice must be discontinued, and no tub will be closed and sealed until such tub has stood empty twenty-four hours, as required by law. It will be observed that in the instructions for making surveys, the day the tub is required by law to stand empty is added to the fermenting period, and the sum used as a divisor in determining the capacity of the distillery. Such tub, therefore, cannot be closed or refilled until the fermenting period and the day the tub is required to stand empty have expired.

REDUCTION OF CAPACITY.

Any distiller desiring to reduce the producing capacity of his distillery must give notice of such intention in writing to the collector, (Form 126, revised April 13, 1876,) stating the quantity of spirits which he desires thereafter to manufacture every twenty-four hours; and thereupon the collector is required, at the expense of the distiller, to reduce and limit the producing capacity of the distillery to the quantity stated in his notice, by placing upon a sufficient number of tubs close-fitting covers, securely fastened by nails, seals, and otherwise, so as to prevent the use of such tubs without removing said covers or breaking said seals; and whenever he shall be of opinion that other precautions are necessary, he will report the case to the Commissioner of Internal Revenue for instructions.

Where a distiller desires to reduce capacity without reducing the number of tubs, it may be done by cutting down the tubs to the size required. The cutting out of one or more staves is not sufficient, but the whole tub must be cut off; in which case a new survey must be made, as hereinbefore provided. It is the custom in most distilleries to set the tubs in a slanting position that the beer may run out more readily, and that the tubs may be

more easily cleaned. In such a case the distiller may cut the tops of his tubs to a water-level, and as this would be a reduction of capacity a new survey may be made, and the average or mean depth may be taken. In case tubs are not so cut to a water-level, no temporary or other additions will be allowed on the tops of the fermenting-tubs to prevent overflow of beer.

In all cases of a reduction of capacity not requiring a new survey, the collector will immediately forward to the Commissioner a report, on Form 126, giving the serial number and *working capacity* in gallons, together with the total working capacity of all the tubs so closed, and the daily spirit-producing capacity of the distillery, both before and after the change. It is the duty of the collector to determine the capacity after the change, but the opening or closing of tubs may be done by the deputy collector, who will report to the collector, on Form 126, the number and working capacity of each tub opened or closed, and the working capacity in total of the tubs remaining open. It then becomes the duty of the collector to fill up the certificate of capacity after the change, prepared for the purpose, on Form 126. In making this certificate, collectors will in all cases base their computations on the survey last delivered to the distiller. For instance, a distiller may be operating on a fermenting period of seventy-two hours, when his distillery is surveyed on a fermenting period of forty-eight hours. In such a case the collector would ignore the fermenting period on which the distillery is operated, and be governed in his computations entirely by the survey.

In case a distiller wishes to change his capacity by varying the strength of beer, and wishes to use a beer thicker than that authorized by the existing survey, a new survey should be made, based upon the strength of beer named in the notice of the distiller. But in case the distiller wishes to use a beer thinner than that authorized by the existing survey, no new survey should be made, or change of capacity allowed, unless the strength of beer desired to be used by the distiller is within the minimum prescribed in section 3264, Revised Statutes.

INCREASE OF CAPACITY.

Whenever a distiller desires to increase his capacity by filling fermenting tubs not then in use. he should give notice to the collector, (see Form 126, revised,) stating, as in case of reduction of capacity, the quantity of spirits which he thereafter proposes to produce every twenty-four hours, and indicating by number the fermenting tubs he wishes to be opened. Upon receipt of said notice the collector will cause the producing capacity of the distillery to be increased, as stated in the application, by the removal of the covers from the fermenters named therein. The opening and closing of tubs must be done in the presence of the collector or one of his deputies, who only are authorized to attach the fastening or seals to or remove the same from the covers placed upon tubs not in use. The certificate must be signed by the officer who visited the distillery for the purpose of reducing or increasing the capacity, and must show the day when the tubs (giving the number of such) were opened or closed, and must forthwith be returned to the collector, who should, without delay, cause the proper entries to be made in his Record of Registered Distilleries, (No. 45,) and forward report on Form 126 to this office, with his certificate to the result of the change in capacity.

In case a distiller desires to increase capacity after his plans are furnished, the survey made, and his bond is approved, he must give notice on Form 27*a*, under section 3259, Revised Statutes, and if such change necessitates any alteration in his distillery, as the introduction of additional mash or fermenting tubs, a supplemental plan must be furnished, showing the alterations. If such alterations are confined to one floor, a supplemental plan of that floor, properly certified, will be received. In case of increase of capacity over that fixed by the survey upon which the penal sum of the bond was computed, a new notice, survey, and bond will be required. The same general rules will apply as well to increase as reduction of capacity, and the reports of the collector and his deputy will be made on Form 126, giving the capacity of the distillery before and after the change, and, in a marginal note, the working capacity in gallons of the tubs opened.

SUSPENSION OF WORK.

Any distiller desiring to suspend work (section 3310, Revised Statutes) must give notice in writing to the collector, on Form 124, stating when he will suspend work. On the day mentioned the collector or one of his deputies shall, at the expense of the distiller, proceed to fasten securely the door of every furnace of every still or boiler in said distillery, by securely locking the same, so that they cannot be opened or any fire lighted in such furnace.

No distiller can carry on the business of a distiller after the time stated in such notice until he shall have given another notice in writing, on Form 125, to the collector, stating the time when he will resume work, at which time the collector or one of his deputies must attend and remove the locks and other fastenings, which action must be immediately reported (when done by a deputy) to the collector and by him to the Commissioner, and the report of the deputy collector and collector must distinctly state whether or not there was any mash, wort, or beer on hand at the time of such suspension.

In order that the distiller may have the full benefit of the provisions of section 3310, Revised Statutes, and that the suspension may commence as soon as there is no beer on hand, he should give notice, at least twenty-four hours before the time he wishes to suspend, fixing in the notice the exact time when his tubs will be empty and all the beer on his distillery premises will be distilled. This course will give the collector ample time to notify his deputy to proceed to the distillery and lock the furnace-doors as required by law. The provision for suspension under this section is where such suspension is at the desire of the distiller, and having mash, wort, or beer in the distillery during suspension is forbidden under heavy penalties. But it is further provided that nothing in this section shall be held to apply to suspensions caused by unavoidable accident, and that the Commissioner of Internal Revenue shall prescribe regulations to govern in such cases of involuntary suspension.

In case of an accident necessitating a suspension, the distiller should if possible, distill all the beer in his tubs;

but should the accident be of such a nature as to render this impossible or impracticable, the distiller will immediately give notice to the deputy collector of the division in which the distillery is located, and said deputy collector will immediately proceed to the distillery, and lock the furnace-doors, and so disconnect the machinery as to make distillation impossible, removing to the bonded warehouse some portion of the machinery necessary to distillation, and will at once notify the collector of his action, giving a full statement of the manner of dismantling the distillery, and the precise quantity of beer in each tub. Should the deputy collector fail to reach the distillery at the time stated in the notice, the storekeeper on duty at the distillery may lock the furnace-doors, disconnect the machinery, and remove some portion of the same necessary to distillation to the bonded warehouse, and note the quantity of beer on hand. Upon the arrival of the deputy collector the storekeeper will deliver to him a certified statement showing when the furnace-doors were locked and the machinery disconnected, and the quantity of beer on hand, and will also surrender the keys of the furnace-doors. The deputy collector will notify the collector at once, giving a full statement of the manner of dismantling the distillery, and the precise quantity of beer on hand, the same if as such locking and dismantling had been done by the deputy himself. Such notice will be accompanied by the certified statement of the storekeeper. The suspension will then be allowed, provided the distillery remains so dismantled for a period of twenty-four hours, exclusive of the day on which the doors are locked or distillery dismantled, and the day on which the fastenings are removed or the machinery connected. The storekeeper will also make a record of the number of gallons of beer in each tub, giving its serial number, at the time of suspension, and also the gallons of beer in the beer-well, and will see that the same beer remains at resumption of work, less natural evaporation; and the deputy collector, when he removes the locks and connects the machinery after such suspension, will note the quantity of beer on hand, and report to the collector, who will immediately forward a copy of such report to the Com-

missioner. It will be observed that the law, in providing for such involuntary suspension, uses the word *accident.* This is not understood to include a failure of water, or want of grain, or any circumstances which prevent the operation of the distillery, except an inevitable accident which cannot be foreseen by the distiller, and which renders distillation impossible. Upon receipt by the collector of the notice of his deputy that he has disconnected the distilling apparatus on account of accident, and the account of beer on hand, he will immediately forward a copy of such notice and account to the Commissioner, stating fully and explicitly the nature of such accident, and upon receipt of notice of having reconnected the distilling apparatus, and of having allowed the distiller to resume operations, together with an account of beer on hand at the time of resuming, forwarded by the deputy collector to the collector, the collector will forward a copy of such notice and account to the Commissioner.

WHEN DEDUCTIONS ALLOWED.

No deduction is to be made for a suspension of work unless the provisions of section 3310, and of regulations thereunder, are strictly complied with. The distiller must give two notices in writing to the collector—first, of the time when he proposes to suspend work, and, second, a like notice of the time when he proposes to resume; at both of which times the collector or his deputy must be present to secure the furnaces, or to remove the fastenings, as the case may be, and these two notices cannot be combined in one.

Attention is called to the provision of this section imposing penalties upon any distiller who, after the time fixed in his notice of intention to suspend work, shall carry on the business of a distiller on said premises or, has mash, wort, or beer in his distillery or on premises connected therewith contrary to the provisions of said section.

COMMENCEMENT OF WORK AFTER SUSPENSION.

Where a distiller resumes work after a suspension with no mash on hand, he will be deemed to have commenced the distillation of spirits at 12 meridian on the third day after the deputy collector unlocks the furnace-door. The time for estimating the 80 per cent. of the capacity will commence on such third day, unless distilling is commenced prior to that day.

If distillation commences on the second day after the furnace-doors are unlocked, the time for which the 80 per cent. is computed will include the second day.

In order that a proper allowance may be made, the distiller should note on Form 14 and the storekeeper on Form 88, the time distillation commenced on resumption with no beer on hand.

When a distiller resumes with beer on hand, after an involuntary suspension, no allowance will be made in computing the 80 per cent.

DISTILLING AND REMOVAL OF SPIRITS PROHIBITED IN THE ABSENCE OF STOREKEEPER.

The special attention of officers is directed to the penalties imposed in section 3284, Revised Statutes, for mashing, distilling, or removing spirits in the absence of the storekeeper, or person designated to act as storekeeper. Any mashing or distilling at any time when the storekeeper is not present, is prohibited. It is the duty of all officers, and especially of collectors, to see that this law is obeyed, and its violation noted and properly punished.

SPIRITS TO BE DEPOSITED IN RECEIVING-CISTERNS IN CUSTODY OF GAUGER.

All spirits manufactured each day must be conveyed into the receiving-cisterns on the same day. The cisterns and the room in which they are contained must be in charge of and under the lock of the internal-revenue gauger designated for that duty. The collector will desig-

nate the gauger to perform this duty. In no case, however, will the storekeeper, unless he be acting in the capacity of storekeeper and gauger, be allowed to hold the key or have charge of the cistern-room. The cistern-room must not be opened or suffered to remain open except when the designated gauger is present, nor will the Government key at any time be suffered to pass into the possession of the distiller or any person in his employ, but will be retained at all times in the possession of the designated gauger.

DEPOSIT OF SPIRITS IN DISTILLERY WAREHOUSE.

Section 3267, Revised Statutes, provides that the spirits shall be drawn from the receiving-cisterns into casks, under supervision of the gauger, in the presence of the storekeeper, on the third day after they are conveyed thereto. They may, however, be drawn off at less intervals upon application by the distiller, or his agent, to the collector for that purpose, but in no case can they remain in the receiving-cistern a longer time than three days. Upon being drawn off into casks as required, they must be inspected, gauged, marked, branded, the appropriate stamp affixed to each cask, and immediately removed to the distillery warehouse, and on the first day of each month, or within five days thereafter, the distiller or owner must enter the same with the collector of the district for deposit in such warehouse. The entry must be made and signed by the distiller or owner of the spirits.

The entry will be made in triplicate, one to be retained by the collector, one sent with the duplicate of the bond to the Commissioner of Internal Revenue, and the other sent to the storekeeper in charge of the warehouse; and at the time of making said entry the distiller will give bond in duplicate on Form No. 80, as revised March 10, 1879.

Entries for deposit are to be made monthly only, and such entry must cover the total amount of spirits deposited during the entire month next preceding the entry, and no entry for deposit can be made except as herein prescribed. (See Series 7, No. 7, Supplement No. 2.)

WITHDRAWAL OF SPIRITS FROM WAREHOUSE, ON PAYMENT OF TAX.

Spirits may be withdrawn from warehouse on payment of the tax, on making with the collector of the district an entry for withdrawal in duplicate, in the Form prescribed on page 41, Series 7, No. 7, and on page 23, Series 7, No. 7, Supplement No. 2. Entries for withdrawal are not required to be sworn to.

On the payment of the tax, the collector will endorse upon a copy of said entry an order to the storekeeper in charge of the warehouse for the delivery of the spirits specified in the entry.

The collector will place one of said entries on file in his office, and transmit the other to the Commissioner of Internal Revenue. Entries for withdrawal may be made at any time after the spirits have been stored in the warehouse, and entered upon the bonded account.

All the spirits produced in any distillery must be removed to the distillery warehouse, even when they are immediately withdrawn therefrom; and the entry for deposit must be made at the regular monthly period, although the spirits covered by it have been withdrawn. The bond to be given must cover all the spirits remaining in warehouse at the end of the monthly period. If all the spirits deposited during that period have been withdrawn, no warehousing bond will be required; but the collector will in such case be careful to note the withdrawal of such spirits on Form 60 of his bonded account. When a portion only of the spirits deposited during the monthly period is withdrawn prior to the entry for deposit, the bond will be taken for the quantity remaining in warehouse at the end of the monthly period, and the collector will certify on the bond that the spirits produced during the month, and not covered by the bond, have been lawfully withdrawn, giving the number of gallons so withdrawn.

Should any distiller, or owner of distilled spirits deposited in a distillery warehouse, neglect or refuse to file the proper bonds for such spirits within the time required by law, the collector will at once demand the tax due on such spirits; and in case of neglect or refusal on the part of

such person to comply with the demand, the collector will proceed to collect the tax by distraint in the manner indicated on page 22, Series 7, No. 7, Supplement No. 2.

In all cases where the tax is paid upon distilled spirits, the collector will see that the spirits are promptly removed from warehouse, under penalty of forfeiture, as provided by section 3288, Revised Statutes.

The amount of tax must be collected upon the quantity of spirits produced. This is determined by the inspection and gauge before entry into warehouse. It is therefore very plain that no allowance can be made for any loss occurring in warehouse from leakage.

For the same reason, spirits withdrawn from the warehouse upon payment of tax, are not required to be regauged and proved before entry for withdrawal is made. The entry for withdrawal must correspond precisely with the entry for deposit, and the tax must be paid upon the same number of gallons as that named on the warehouse-stamp. The spirits must, however, be withdrawn in the presence of the gauger and storekeeper, and must be stamped and branded as required by law and the regulations hereinafter referred to.

If the question had not been frequently asked whether casks of spirits in distillery warehouses cannot be filled up before withdrawal with spirits taken directly from the cistern, it would scarcely be necessary to state that such filling up is contrary to law, and whoever does, permits, or connives at the act is guilty of a fraud upon the Government.

The law requires the tax on distilled spirits to be paid within three years from the date of the warehousing bond, with interest on the tax after the expiration of one year, at the rate of five per centum per annum.—(See Supplement No. 1 to Series 7, No. 7.)

Collectors will not issue tax-paid stamps for any distilled spirits where interest has accrued under the provisions of the third section of the joint resolution approved March 28, 1878, until the said interest is paid.

Distilled spirits upon which the tax has been paid cannot be allowed to be stored or to remain upon any distillery premises, under the penalty of a forfeiture of all spirits so found.

DISTILLER'S BOOKS.

Every distiller (sections 3303 and 3307, Revised Statutes,) is required to make true and exact entry daily, in books to be kept for that purpose, in the form and manner set forth in Forms Nos. 12, 13, 25, and 28, heretofore prescribed, of all matters therein contained; and to render an account in duplicate on Form No. 14, taken from such books on the first day of each month, or within five days thereafter, to the collector. No materials of a kind for which a special column is provided in Form No. 13 should be entered under the head of other materials; and in Form No. 12 every kind of material purchased must be specified.

Each account must be verified under oath or affirmation by the distiller or the principal manager of the distillery; the oath of a clerk or other employé is not sufficient. Distillers who have given the required bond as such, and who sell only distilled spirits of their own production at the place of manufacture in the original cask or package to which the tax-stamp is affixed, are exempt from paying special tax as wholesale liquor-dealers, but are nevertheless required to keep wholesale-dealer's book, Form 52, and to enter therein all spirits as received when the tax is paid thereon, and when sent out, to whom sent, &c.

STOREKEEPERS.

The manner is which storekeepers and gaugers perform their duties should receive the special attention of agents. If these officers are competent, vigilant, and faithful, it is believed that it is scarcely possible for frauds upon the internal revenue to be perpetrated at distilleries.

All the conditions, however, above named must exist in order to protect the interests of the Government. An officer may be well instructed in his duties and familiar with all the details in the construction and operation of a distillery, but if he be negligent, careless, or idle, his competency and ability are of no value to the service. If he lack fidelity, his skill may contribute to the opportunities for the perpetration and concealment of fraud.

The position of storekeeper is one of special confidence and trust, and the faithful discharge of the duties pertaining thereto will entitle the officer to the favorable consideration of this Office. No officer can be said to faithfully discharge his duties who is found absent from his post during the assigned hours, nor who fails in accomplishing the purposes of his appointment.

One or more storekeepers must be assigned to, and on duty at, each distillery warehouse before the distiller can commence operations.

The Commissioner of Internal Revenue is alone authorized by law to assign storekeepers to duty, revoke their assignments, and fix the rate of their compensation while on duty.

In determining the number of storekeepers to be assigned to each distillery warehouse, the collector will take into account the construction and condition of the warehouse and distillery, as to their security against theft and fire or other casualties, the location thereof, the character of the community in which situated, the facilities for illicitly distilling and disposing of the spirits, the capacity of the distillery, and length of time it is operated each day.

The storekeeper will have charge of the warehouse to which he may be assigned, under direction of the collector controlling the same. The warehouse will be in joint custody of the storekeeper and the proprietor thereof, and kept securely locked. The storekeeper will retain the key of the Government lock, and will not permit the same at any time to go into the possession of any other person or officer, except the collector or some person designated by the collector or by this Office, in pursuance of law, to take his place; and the warehouse must at no time be unlocked or remain open unless in the presence of the storekeeper.

Storekeepers cannot engage in any other business without the written permission of the Commissioner. All applications for permission to engage in other business while on duty as storekeeper must be endorsed and recommended by the collector of the district in which the storekeeper is on duty before they can be acted upon by the Commissioner.

In case of the absence of any storekeeper by reason of sickness or from any other cause, the collector having control of the warehouse may designate a competent person to have temporary charge of such warehouse, who shall, during such absence, perform the duties, be subject to all the liabilities, and receive the pay of the storekeeper for the time such person may be so employed. But this power of collectors to make temporary designations is limited to filling vacancies occasioned by the absence of regularly-assigned storekeepers; and they are not authorized to make such a designation where there is not an existing assignment by the Commissioner. Vacancies occasioned by removal from office, or resignation, cannot be considered within the meaning of this provision; collectors are therefore not authorized to fill such vacancies by designation. In cases of death, where distillers would be obliged to suspend operations before a regular appointment and assignment could be made, collectors may designate temporary storekeepers; but such designations should not be allowed to continue beyond the shortest period necessary to perfect regular assignments through this Office.

When operations are suspended at any distillery, and the quantity of spirits remaining in bond in the distillery warehouse does not exceed two thousand gallons, collectors are instructed to relieve the storekeeper under assignment to such warehouse, and require him to turn over the keys, books, and papers to a storekeeper who will be designated, upon the nomination of the collector, to take charge of all such distillery warehouses in his district.

The storekeeper thus designated for special duty will only be required te be present at the various warehouses, to which he may be assigned, when it is necessary to open them to make withdrawals, or for other necessary purposes, as prescribed in regulations; he should have his desk and keep his records in the collector's office, where he himself will remain, during office-hours, when not on warehouse-duty.

In all cases where the circumstances and interests of the service will permit, it is preferable that changes in the assignments of storekeepers should be so made that

their terms of service at each warehouse may commence and end with the beginning and close of the month, so that each month's account of a warehouse may be made in full by one storekeeper.

Collectors may require regularly-assigned storekeepers to remain on duty on Sundays and Sunday nights whenever, in their opinion, it is necessary to protect the interests of the Government; and such storekeepers are entitled to compensation for all the time they are actually on duty under such instructions, at the rates fixed in their assignments respectively.

Collectors are required to report promptly to this Office whenever a distillery suspends operations, and where night or additional storekeepers are under assignment to the warehouse thereto attached they will be considered relieved from duty as of the date on which the suspension takes place, unless reasons are given for retaining them on duty. In determining whether night-storekeepers should remain on duty during suspensions, collectors will be governed by the same conditions as are herein prescribed for determining the number of storekeepers required at each warehouse upon commencing business, and be held in like manner responsible for their retention whenever their presence is necessary.

Storekeepers cannot enter upon their duties until they have been assigned by the Commissioner, and are only entitled to compensation for such time as they are actually employed in the performance of their official duties under such assignment.

Storekeepers are required to be present at their places of duty during the hours for which they are assigned. Those assigned to day-duty are required to be present at the place of duty during all the hours of the day, and night-storekeepers during all the hours of the night, whether the distilleries are operated or not. Where both day and night-storekeepers are assigned, neither should leave the place of duty until relieved by the other.

If the interests of the Government require the presence of a storekeeper at a distillery during the hours of night, the same interests certainly demand that he shall know what transpires at the distillery during all the hours of

his assignment, *and the same degree of vigilance is expected from storekeepers assigned to night-duty as is required of those on duty during the day. One of the important objects of night-visits by agents to distilleries is to ascertain in what manner storekeepers discharge their duties; and agents will be expected to report to this Office the name of any and every storekeeper absent from his distillery at any time during the hours of his assignment day or night, found asleep, or otherwise derelict in his duties.*

Whenever a storekeeper resigns or is reported for removal or dismissal from office, the resignation or report must be accompanied by a statement from the collector as to whether the storekeeper is under assignment or not. If the storekeeper who is leaving the service is under assignment, the collector must, at the time of or before forwarding the resignation or report, nominate some other regularly-qualified storekeeper for assignment in his place, or give proper reasons for dispensing with the services of a storekeeper at the place of assignment, before such resignation or report can be acted upon by this office.

Storekeepers are required to be on duty, and in daily attendance at the warehouses to which they are respectively assigned, until relieved; and where a distillery is under suspension, and all spirits are withdrawn from the warehouse, the collector will require the storekeeper to report the fact of the withdrawal of the last spirits on the day on which it occurs, and the storekeeper will be considered as relieved from duty after that day. Collectors are required to report all such cases promptly to this office, giving the date of the last withdrawal in each case. The last withdrawal of spirits is not considered complete until the spirits are all actually removed from warehouse and the tax-paid or export-stamps all affixed, and the date herein required to be given is that on which the withdrawal is so completed.

Whenever any distillery premises are seized, together with the spirits in the distillery warehouse, the storekeeper or storekeepers must be considered as relieved from duty under his or their assignment after the date of the seizure and during its continuance. But if it is deemed advisable by the seizing-officer, a storekeeper may be placed in

charge of the property as keeper while it is under seizure, and his proper fees as keeper while so in charge paid in the same manner as the other incidental expenses of the seizure. Collectors are required to report each and every seizure of this character in their respective districts, by letter, stating when the storekeepers are relieved from duty by reason of the seizure, so that their assignments may be revoked accordingly.

It is desired that storekeepers not on duty should not remain under assignment; and whenever any storekeeper is off duty, the collector of the district should promptly notify this office of the cause and date when he ceased duty, so that his assignment may be revoked.

Storekeepers coming on duty at a distillery where work is being resumed after suspension, are required to make an entry in the proper book of all repairs made on the distillery or distillery premises, and all the material received thereon during the period in which work was suspended thereat. Distillers will be required to afford all the facilities in their power to enable storekeepers to make the proper entries of these facts.

Storekeepers must make themselves thoroughly conversant with the distillery premises and all the apparatus used in the business of distillation, examine the plan and survey in the office of the distillers, and carefully note whether the facts are accurately set forth therein.

They must take the weight and measure of all material received upon the distillery premises, and will not allow any to be stored thereon without first complying with this requirement, and making the proper entries of the same in the appropriate book of accounts.

Each storekeeper must ascertain and record the weight and measure of all material to be used in mash before allowing it to be put into the mash-tubs.

The absence of scales and other facilities for determining the weight and measure will not be received as sufficient excuse for not performing this duty, unless the official files shall show that the storekeeper has reported their absence and taken all reasonable steps to have them furnished.

Where the scales are set for weighing off the meal put

into the mash-tub, it is the storekeeper's duty from time to time to test their accuracy, and any want of accuracy should be immediately reported to the collector. The use of material in the mash-tub without weight and measure, or the existence of facilities for crowding or thickening the mash without the knowledge of the storekeeper, will, upon being ascertained, be considered sufficient grounds for dismissal, unless the official record shows that such use and such facilities have been reported by him in writing to the collector.

He is to note carefully the character and condition of all connections, pipes, tubs, or vessels used for conducting spirits in the course of their distillation, to see if they are continuous and closed, as required, and if the distiller can have any access to the spirits while in transit, and report at once any condition of the apparatus not in accordance with requirements.

He is required to record the *hour* and *minute* when the beer is set in the fermenting-tubs, to measure the dry inches and calculate the quantity in each tub at that time, and at twelve noon on each day thereafter, and enter the same in his book.

He must also see that the tubs are not emptied before the end of the fermenting period fixed by the distiller, and when emptied that they remain empty the full twenty-four hours required by law; *and any irregularity on the part of the distiller in either of these respects must be forthwith reported to the collector and to the Commissioner of Internal Revenue.* The entries of the dry inches and quantities of mash in each tub on his books must be made by him from actual measurement.

He is required to be present at the drawing of all spirits from the receiving-cisterns, and at the gauging, marking, branding, and stamping of all packages of spirits put up on the distillery premises, and is held jointly responsible with the gauger that all the mechanical duties connected therewith are faithfully performed.

Whenever any person is allowed access to the distillery warehouse, it must be done only under the immediate supervision of the storekeeper. The distiller or his employés may be allowed access to the warehouse for the

purpose of examining the spirits, repairing the cooperage, or changing the packages to prevent waste.

Storekeepers will bear in mind that the serial numbers must commence with number one (No. 1) on the first cask deposited, taking special care that no two casks warehoused at the same distillery be marked with the same serial number.

When a change of ownership of the distillery occurs, the first cask deposited by the new distiller or owner must begin with number one, (No. 1,) the same as if the distillery had never been operated before.

If there is any violation of law or irregularity on the part of the distiller, the storekeeper must make immediate report of the same to the collector and to the Commissioner, and for any neglect to do so he will be dismissed. Where a distillery is closed on account of any violation of law which is reported by the storekeeper, such storekeeper will be promptly assigned to another warehouse.

It is the duty of the storekeeper to know that all entries and reports made by him are correct. He has no right to estimate, or to trust to the information received from the distiller or any one in his employ. He is placed on duty not to receive and record the reports of the distiller or his employés, but to keep a record of transactions of which he is required to have a personal knowledge. The quantity of mash in a tub at the time it is emptied is not the subject of an estimate, but is to be determined by actual measurement, and the quantity made and used during the month, or on hand at its close, can and must be determined in the same way.

STOREKEEPERS' RECORDS AND REPORTS.

Storekeepers are required to keep the following records:

Record of storekeepers at registered distilleries; in which will be entered, in the proper columns, the materials on hand at the first of the month, materials received and used for the production of spirits during the month and on hand at the close of the month, fuel used for the production of spirits during the month, a complete record of the fermenting-tubs filled and emptied, and the quan-

tity of spirits drawn from the receiving-cisterns during the month. The monthly report on Form 88 and 88½ should be made from this record.

Record of storekeepers at distillery warehouse; in which will be entered, in the proper column, an account of all distilled spirits entered into and withdrawn from the warehouse during the month. The daily report of storekeepers on Form 86 and his monthly report on Form 87 will be made from this record.

Storekeepers' record at bonded warehouse for the storage of brandy made from grapes; in which will be entered, in the proper column, an account of each package of spirits received into or taken out of warehouse during the month. From this record the storekeeper will make his reports on Form *A* 86 and Form *A* 87.

Storekeepers must make a report daily (Sundays excepted) on Form 86 during all the time they are in charge of the distillery warehouse, when spirits are entered into or withdrawn from the warehouse. In no case must the transactions of more than one day appear upon Form 86. If the distillery shall be closed, the storekeeper will continue to make a daily report until relieved from duty. This report must show the number of packages of spirits received into or taken out of warehouse during each day, the serial numbers of the packages, serial numbers of the warehouse-stamps, and the wine, proof, and taxable gallons, when and by whom gauged, to whom delivered and for what purpose.

The same report of wine, proof, and taxable gallons should be made in the monthly warehouse report, Form 87, and the wine gallons, proof gallons, and taxable gallons should be reported on the storekeeper's monthly abstract, Form 88; care being taken, in all cases where required, that the serial numbers of the packages, the serial numbers of the warehouse-stamps, and the serial numbers of the tax-paid stamps are reported on Forms 86 and 87.

Storekeepers designated as general storekeepers to take charge of warehouses at distilleries where operations are suspended, will only be required to make daily reports on Form 86 to this office and to the collector when withdrawals are made. In case of spirits withdrawn for ex-

port in bond, the storekeeper will enter on Form 86 the serial number of the export-stamps, in place of serial number of tax-paid stamps. When spirits are withdrawn from warehouse on payment of tax, and for export in bond on on the same day, the storekeeper will make separate entries in his report, Form 86, of each class of withdrawals. Those for export should be written in red ink. Similar distinct entries of withdrawals for consumption and export should also be made in the distillery-warehouse record, and on the monthly report, Form 87.

The monthly return, Form No. 87, must show the quantity of spirits in warehouse on the first day of the month, before any spirits are entered or withdrawn, the quantity entered and withdrawn during the month, which will of course agree with the footings on his warehouse-book, and the aggregate of his daily reports on Form 86, and the quantity in warehouse on the last day of the month, after the close of business for that day.

All spirits should be drawn from the receiving-cisterns after distillation ceases on the last day of the month, or on the morning of the first day of the month, so that the full product of the month may be known and determined. If drawn off on the first day of the month, the quantity drawn off and warehoused on that day will be entered on the distiller's monthly return, Form No. 14, and the storekeeper's abstract, Form No. 88, in a separate item.

In making their monthly abstracts, Form No. 88, storekeepers will enter first the amount of mash on hand at the close of the preceding month. Under this they will enter the quantity of material used during the month, with the quantity of mash produced therefrom, and from the amount of these two items deduct the quantity of mash on hand at the end of the month.

The storekeeper at each distillery must, at the first of the month, take an accurate account of the materials on hand, and report the same on Form 88, under the heading "On hand at first of month," being careful to note each kind of material, separately, in pounds and bushels, or in gallons, or both, as the case may be.

He will keep an accurate record of all materials received during the month, and enter the total quantity of each

material so received, under the heading "Received on the distillery premises during the month."

These last items, added to the quantity on hand at first of month, will form the total to be entered in the first column headed "Total."

Under the head of "Used for the production of spirits during the month," the storekeeper will enter the total quantity of each material actually put in mash during the month.

He will take account of and enter, under head of "On hand at last of month," the total quantity of each kind of material on the distillery premises, and not in mash, after the close of business on the last day of the month for which the abstract is made.

The combined items of the last two columns, "Used for the production of spirits," and "On hand at last of month," will form the total to be entered in the second column headed "Total."

The storekeeper will be careful to take these various accounts from actual measurement; and the entries upon the Form 88 will be taken as his official certificate that the quantities there entered are literally correct.

In filling up "Form 88½" the storekeeper will enter, under the head "Fermenting-tubs filled," the number of each tub filled, taking one line for each tub, and under the heading "Day" he will enter the day of the month, and under the heading "Hour" he will enter the exact hour and minute, a. m. or p. m., when the filling of the tub begins, or when the tub is actually full, as the distiller may elect. The distiller may adopt either time as the beginning of his fermenting period, but no change will be permitted without notice to the collector upon a Supplemental 27*a*, stating "change in time of beginning the fermenting period." The storekeeper will enter upon Book No. 17, and also upon each Form 88½, that the fermenting period begins "when filling of tub begins," or "when tub is full," as the case may be; and will note the hour and minute accordingly.

In filling the columns under the headings "Fermenting-tubs emptied," storekeepers will be particular to record the exact hour and minute at which each fermenting-tub

is actually empty. The fermenting period will be noted on Form 88½.

In molasses-distilleries where rum is produced, and the tubs are set, fed, and filled, as is usual in making what is known as "New England Rum," the time the first material is put into any tub will be entered on "Form 88½" as the time such tub was filled.

The books required to be kept by the storekeeper (Nos. 16, 17 or 17½, and 18) and by the distiller (Forms 12, 13, 25, and 28) must be critically examined by agents when distilleries are visited, to see if the entries required to be made therein are correctly and accurately recorded up to the time of examination. Any neglect or failure of the storekeeper or distiller in this respect must be reported to the Commissioner and the collector.

COMBINED OFFICE OF STOREKEEPER AND GAUGER.

The act approved August 15, 1876, making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1877, and for other purposes, provides: "That the Secretary of the Treasury may, upon the recommendation of the Commissioner of Internal Revenue, impose the duties of storekeeper and gauger upon one officer, where the amount of spirits produced at the distillery, to which such officer may be assigned, is not sufficient, in the judgment of the Commissioner, to warrant the employment of two officers to perform the separate duties of storekeeper and gauger. The Secretary of the Treasury may issue a commission to such officer as storekeeper and gauger, but the compensation for his services as storekeeper and gauger shall be that of storekeeper only. And the said officer shall, before entering upon the discharge of such duties, give a bond in the penal sum of not less than five thousand dollars for the faithful performance of the combined duties of storekeeper and gauger."

The foregoing regulations and instructions as to the storekeepers extend and apply to persons holding the combined office of "storekeeper and gauger."

The attention of collectors is particularly called to the

fact that persons holding the combined office of "storekeeper and gauger" cannot be assigned to duty in the separate capacity of either storekeeper or gauger.

ASSESSMENTS FOR DEFICIENCIES AND FOR EXCESS OF MATERIAL USED.

By the provisions of section 3309, Revised Statutes, it is made the duty of the Commissioner of Internal Revenue, upon the receipt of the distiller's return in each month, to determine whether distillers have accounted for all the grain or molasses used and all the spirits produced in their respective distilleries during the preceding month. In case it is found that any distiller has not reported all the spirits produced by him, or if the reported product for the month is less than eighty per cent. of the spirit-producing capacity of his distillery as estimated according to law, or if it is found that the distiller has used any grain or molasses in excess of the legally-surveyed capacity of his distillery, he is required to make assessment for the spirits produced and not reported, or for the ascertained deficiency in the reported product, or for the spirits which should have been produced from the material used in excess of the surveyed capacity.

Such assessments are made from the distiller's return, on Form 14, and storekeeper's monthly abstract, Form 88, and such other evidence as may be obtained to show what quantity of spirits was actually produced by the distiller.

For instructions in relation to assessments for deficiencies, and for excess of materials used, see Regulations concerning distilled spirits, Series 7, No. 7, pages 49 to 52, inclusive; Circular No. 195, dated January 2, 1879; and Internal-Revenue Record, volume 24, page 37.

Section 3309, as amended March 1, 1879, authorizes the Commissioner to remit or refund an assessment made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery, or for the tax upon spirits that should have been produced from the grain, fruit, or molasses found to have been used in excess of the capacity of his distillery, when it is made to appear

to the Commissioner that said deficiency or said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence, or by any fraudulent purpose on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect, or by reason of unavoidable accident. For regulations governing the remission or refunding of deficiency-taxes in this respect, see Series 7, No. 7, Supplement No. 2, pages 24 to 27, inclusive.

Attention is called to certain legal constructions which have been placed upon the terms "accidents," "unavoidable accidents," and "diligence," which may be properly applied to other cases as well as to remission of taxes on deficiences.

ACCIDENTS.

In determining what shall be considered an accident, it is held that not only will inevitable casualty or acts of Providence, or what may be called irresistible force, be considered, but such unforeseen events, misfortunes, losses, acts, or omissions, as are not the results of any negligence or misconduct on the part of the distiller or owner of distilled spirits, or their agents or employés.

If the facts relied upon resulted from the operations of nature, they must be something out of the ordinary course of things. It cannot be considered an accident that the sun shines, that it rains, snows, freezes, thaws—that a river rises or falls at certain seasons of the year—that water becomes warm in the summer and cold in the winter. If either of these ordinary processes of nature is adduced as a reason why a tax should be abated, it must affirmatively appear that the change was so sudden and severe that it was out of the ordinary course of events, and, therefore, could not be provided against.

When a case of accident of the above character occurs, the distiller must at once give notice to the collector or deputy collector, so that the facts can be investigated and reported upon, and the immediate action of this office be had upon the question of suspending work.

UNAVOIDABLE ACCIDENTS.

In placing a construction upon the words "*unavoidable accidents*," as they relate to the operations of distilleries, it will be necessary to consider the facts and circumstances relied upon as grounds of relief in each case. The act of March 1, 1879, requires due diligence on the part of the distiller and his agents and servants, and if the circumstances relied upon were the result of the negligence or misconduct of the distiller, or his agent or servant, he will have no claim to relief.

DILIGENCE.

Diligence is the doing of things in proper time. As the opposite of negligence, it signifies, primarily, care, caution, attention, promptitude, skill, or discretion, in the performance of an act.

REPORTED PRODUCT OF DISTILLERIES.

Agents should keep themselves informed as to the reported product of the distilleries in their districts, and if they have reason to suspect that all the spirits produced have not been reported, they should take measures to obtain evidence to develop the facts and report the same to this office.

It is found to be the custom of some distillers to use grain and molasses on the same day and in the same tubs. The law recognizes only one capacity of a distillery on any given day, and where grain and molasses are used as above stated, the assessment for each day on which they are so used will be made upon the material having the largest spirit-producing capacity.

REMOVAL OF FUSEL-OIL.

The removal of fusel-oil from distilleries, in quantities of not less than two hundred gallons at one time, will hereafter be permitted, upon compliance with the requirements of Circular No. 166, dated June 23, 1877.

The oil must first be thoroughly washed and purified, and withdrawn from the tank or tub into packages in the presence of the storekeeper, who will note upon his record, No. 17, the quantity of oil so withdrawn from the tub that day.

The distiller shall then, before removal of the oil from the distillery premises, give notice to the collector of the district, stating the time at which he desires to make such removal, and the quantity to be removed. The collector, or a deputy specially detailed for that purpose, shall attend at the time specified in the notice, and, together with the storekeeper on duty at the distillery, make test of the character of the oil by a tube to be provided by the distiller.

The tube having been filled with water up to the mark 100, oil shall be added until the tube is filled to the mark 0. The oil and water shall then be thoroughly mingled by violently agitating the contents of the tube. If, after sufficient time has been allowed for the oil to fully separate from the water and resume its position at the top of the tube, the scale shall show that not more than 10 degrees or per cent. of the oil has disappeared or been dissolved in the water, the oil shall be passed as merchantable, that is to say, containing so minute a quantity of alcoholic spirit as not to be profitably recovered by distillation, but if over 10 degrees of oil disappears, the oil will not be considered as sufficiently purified, and cannot be removed in that condition.

The cask containing oil fit for removal shall be marked by the distiller, with his name and the number of the district, as in the case of a package of distilled spirits, and in addition with the name of its contents, in distinct and easily-legible letters, and the date of removal.

The storekeeper will note upon Form 88, for the month, the quantity of oil removed during the month, and the percentage of loss shown upon test.

GAUGERS.

The duties of gauger are not less important than those of storekeeper. The revenue from distilled spirits largely exceeds that from any other source, and to the gauger

is intrusted the responsible duty of determining the tax due from this product. The bearing of this service is so important upon the revenue and commercial interests of the country that it imperatively demands that it should be executed with the utmost fidelity, accuracy, and care.

In order to protect the interest of the Government, to intelligently examine this branch of the service, and to judge of the qualifications and integrity of gaugers, it is regarded as indispensable that revenue agents should familiarize themselves with the art and practice of gauging distilled spirits, so that in cases of doubt they may be able to handle the instruments themselves and attain the true results independently of any assistance. It is known that great frauds have been committed upon the revenue by means of false gauging, and it becomes necessary that increased vigilance should be used to detect it. It is evident, therefore, that an agent who is competent to test the work of a gauger, and detect any incorrectness or dishonesty in his gauge, largely enhances his value to the service.

To those agents who are not already adepts in this art, a diligent study of Series 7, No. 11, is recommended, with as much practical instruction by a competent gauger as they may be able to command.

Section 3156 of the Revised Statutes confers the power of appointing United States internal-revenue gaugers upon the Secretary of the Treasury.

Before any United States internal-revenue gauger can be assigned to duty he must "take an oath faithfully to perform his duties, and shall give bond, with one or more sureties, satisfactory to the Commissioner of Internal Revenue, for the faithful discharge of the duties assigned to him by law or regulations; and the penal sum of said bond shall not be less than five thousand dollars." (See section 3156, United States Revised Statutes.)

Section 3156 directs that "the duties of every such gauger shall be performed under the supervision and direction of the collector of the district to which he may be assigned, or of the collector in charge of exports at any port of entry to which he may be assigned." The collector may assign gaugers to duty at any place within his dis-

trict, or transfer them from one place of duty to another within the district. Section 3163, United States Revised Statutes, provides that the supervisor of internal-revenue shall have power to transfer any gauger from one distillery, or other place of duty to another, or from one collection district to another, and may, by notice in writing, suspend from duty any such gauger. By the act of August 15, 1876, the power of transferring gaugers from one district to another, and the power of suspension, is delegated to the Commissioner of Internal Revenue.

Section 3157, Revised Statutes, provides that the compensation of internal-revenue gaugers shall be by fees dependent upon the quantity gauged, to be prescribed by the Commissioner of Internal Revenue, which, together with their actual and necessary travelling-expenses, verified by the oath of the gauger, shall be paid by the United States monthly; such compensation not to exceed five dollars per day. (See act of June 19, 1878.)

The importance of gaugers being well informed as to the requirements of law and regulations will be seen by reference to section 3169, United States Revised Statutes, which makes it the duty of all revenue officers to report in writing all violations of law to their next superior officer and to the Commissioner of Internal Revenue. Gaugers have too generally neglected this duty heretofore, and removals have been made therefor.

GAUGING-INSTRUMENTS.

The instruments for gauging the capacity of casks and packages, or for finding the wine-gallons of spirits therein, are:

The head-rod,
The bung-rod,
The mean-diameter scale,
The wantage-rod, and
The caliper;

And these are to be used in connection with the capacity tables. The rod prescribed by this Office to be used in the Internal-Revenue Service is known as the "Prime and McKean combination gauging-rod," which combines all

the instruments above named, and must be procured and used by internal-revenue gaugers, as directed in Special No. 177 and Circular No. 175. Prime's patent wantage-rod has been adopted and will be used by gaugers for ascertaining the actual ullage in packages of distilled spirits. The instruments used for weighing or determining the proof of spirits are the hydrometer and thermometer. The hydrometer prescribed for use in the Internal-Revenue Service is after the scale prepared by Professor McCulloch, under the superintendency of Professor Bache, and adopted by the Treasury Department; the thermometer is attached to a hydrometer-cup, which accompanies the hydrometer. (See Special No. 143.)

Hydrometers and hydrometer-cups, with thermometers, are furnished to internal-revenue gaugers at the expense of the Government, which is not the case with regard to the other instruments.

Persons holding the combined office of "storekeeper and gauger" must supply themselves with the rod, and other gauging-instruments, in the same manner and under the same regulations as internal-revenue gaugers.

When deemed necessary, a standard hydrometer will be furnished for use in the collector's office with which to test the instruments in the hands of gaugers.

Arrangements have also been made for testing the hydrometers in this Office, and hereafter all orders therefor, or for single stems to replace broken ones, will be sent to the Commissioner of Internal Revenue.

Attention has been called to the fact that some United States internal-revenue gaugers have been in the practice of using other than the United States standard hydrometer and thermometer in weighing and inspecting distilled spirits. This is strictly prohibited, and any United States internal-revenue gauger using other than the standard instruments will be recommended for dismissal from office, and be held responsible upon his bond.

USE OF THE INSTRUMENTS.

For instructions as to the use of the instruments the special attention of agents is called to Series 7, No. 11, pages 9 to 14, inclusive; and it is expected that they will

make themselves perfectly familiar with the rules and regulations therein prescribed.

The following example illustrates the method of determining the wine-gallons, proof-gallons, and taxable gallons in a cask:

Head diameter of cask, as shown by the head-rod	18.1 inches.
Bung-diameter of cask, as shown at the bottom of slide on the mean-diameter scale	22.8 inches.
The figure shown at the bottom of the slide on the mean-diameter scale beneath the third variety, or letter C	3.3
The figure shown on the rod opposite the line above the figures 3 3 in the right-hand column on the scale, as the mean diameter	21.4 inches.
Length as shown by the caliper	27.3 inches.
Capacity of the cask, as shown in the table in the capacity manual, in wine-gallons	42.5 gallons.
Wantage	3.5 gallons.
Wine-gallons of spirit in the cask	39.0
Temperature	70° F.
Indication of hydrometer	166
Correction of volume for temperature	0.6
Six-tenths of one per centum of 39.0 gallons	.234 gallons.
39.0 gallons —.234 gallons	38.766 gallons.
To be cut upon the bung-stave as 39 wine-gallons.	
Temperature, 70°. Indication, 166. True per cent., as shown in Gaugers' Manual, 162.7, to be read as	163

39 wine-gallons multiplied by 163 per centum proof, equals 63.57 proof gallons.

The prescribed gauging-rods are adapted to the measurement of three varieties of casks, known as the first, second, and third, which depend upon their shape. The second variety is generally used by distillers, but the make and condition of the cask should always be observed, and any departure from the usual form and style should be made the subject of inquiry and examination. Variations from the ordinary shape and condition of the cask may be found in the undue thickness of the bung-stave, or a projection in the stave beneath the bung, or an oval shape making a greater diameter in the transverse than the bung-diameter.

Other expedients are frequently resorted to by dishonest persons, in the construction of casks, to prevent a correct gauge by the prescribed instruments. A careful inspection of casks cannot fail to defeat this purpose.

RULE FOR FINDING THE CAPACITY OF A CASK.

Find the mean diameter of the first variety of casks by multiplying the difference between the head-diameter and the bung-diameter by the decimal .55, and adding the product to the head-diameter, the sum being the mean diameter; of the second variety, by multiplying the difference between the two diameters by the decimal .63 and adding the product to the head; of the third variety, by multiplying by the decimal .70, and adding the product to the head. Having thus found the mean diameter, multiply the square of the mean diameter, in inches, by the decimal .0034, and the product will be the wine-gallons in one inch in length. Multiply this by the length in inches, and the product will be the capacity of the cask in wine-gallons.—(See Circular No. 207, dated May 22, 1879.)

RULE FOR GAUGING CISTERNS OR TUBS.

Take the dimensions in inches and tenths of inches. Add together the square of the top diameter, the square of the bottom diameter, and four times the square of the midway diameter, (ascertained by adding the top and bottom diameters together, and dividing by two,) and divide the sum by six, which gives the square of the true mean diameter; multiply this by the height of the cistern, and the product will be the capacity in cylindrical inches. As there are 294 cylindrical inches in a gallon, divide this last product by 294, and the quotient is the number of gallons contained in the cistern.

Example.

108 inches, top diameter.
120 inches, bottom diameter.

Divide by 2)228

114 midway diameter.
100 in height.

$108 \times 108 = 11664$
$120 \times 120 = 14400$
$114 \times 114 \times 4 = 51984$

$78048 \div 6 = 13.008$
$13.008 \times 100 \div 294 = 4424 +$ gallons.

SPECIAL INSTRUCTIONS IN RELATION TO GAUGING.

Correction of volume for temperature will be made on the entire contents of the cask. If the cask is full the correction will be made upon the capacity of the cask. If the cask is not filled the actual wantage will be subtracted before the correction is made. (See examples for correction of volume on pages VII and IX, Gaugers' Manual.)

No allowance for wantage will be made except for actual wantage, and such allowance will be made under the following restrictions:

Gaugers are directed to decline to brand, mark, or stamp any package of distilled spirits of a capacity less than 63 wine-gallons which has an ullage exceeding one-half of one wine-gallon, when the temperature of the spirits is 50 degrees Fahrenheit, or above; or an ullage of over one gallon if the temperature is below 50 degrees Fahrenheit.

No package of 63 gallons capacity and upwards, to 126 gallons, will be branded, marked, and stamped, if the ullage exceeds one gallon when the temperature of the spirits is at 50 degrees Fahrenheit, or above, or if it exceeds one and one-half wine-gallons when the temperature is below 50 degrees.

In packages of 126 gallons capacity and upwards, the wantage will be restricted to two gallons when the temperature of the spirits is at 50 degrees, or above, and to three gallons when the temperature of the spirits is below 50 degrees Fahrenheit.

These instructions will be enforced in the case of all gauging performed at distilleries and rectifying-houses, except when a final package is insufficiently filled because the distillery-cisterns or the rectifying-vats are exhausted, in which event the fact will be noted by the gauger on Form No. 59 or 59½, as the case may be.

United States internal-revenue gaugers are strictly prohibited from cutting or marking the wine-gallons, proof, or proof-gallons upon any cask or package when empty, or when filled, until they have determined the same by the use of the United States standard instru-

ments. They are especially enjoined to keep their instruments in good condition, and to carefully note any variations in the indications, and to report to their collector at once any suspicion of inaccuracy. Any discrepancy in the gauge or proof of spirits shipped from the place of original gauge, which cannot be satisfactorily accounted for, is taken as evidence of fraud, and renders the packages liable to seizure. United States internal-revenue gaugers are especially directed to *personally* gauge the packages, and determine the volume and the true per cent. of proof of their contents. They will also with their own hands put upon each cask or package gauged by them all the marks, brands, and stamps required by law and regulations, and see that in all respects each cask or package is in a condition to be put upon the market without being subjected to detention or seizure. Under no circumstances will gaugers be permitted to delegate these duties to an assistant. So much of the distiller's special brand, however, as is permitted to be put upon the casks prior to being filled at the cisterns, may be affixed, and the stamps tacked and varnished by another person, under the direct personal supervision of the gauger.

Gaugers are made the custodians of the receiving-rooms at distilleries, and are held responsible for the safe-keeping of the spirits run into the receiving-cisterns until drawn off by them and delivered in proper manner into the custody of the storekeeper at the distillery bonded warehouse, so far as any loss may be reasonably guarded against, and under no circumstances will they intrust the key to the lock on the door of the receiving-room to any person other than the collector of the district; and they are enjoined not to admit any person into the receiving-room except in their presence.

Gaugers, inspecting and weighing spirits drawn from receiving-cisterns, rectifying-vats, or tanks, or from any large vessel into smaller ones, will determine the proof of the spirit in each cask into which it is drawn, and in no instance will they mark the average proof of the spirit found in the large vessel upon the small vessel.

All spirits produced by grain and molasses-distillers are required to be drawn into casks containing not less

than twenty wine-gallons each, gauged, proved, and marked, and deposited in the distillery warehouse, and to have the distillery-warehouse stamp affixed to each cask.

When drawn into casks, the spirits must be gauged and proved by the gauger himself, with his own hands, and in no case can he deputize another to do it for him. Section 3290, United States Revised Statutes, prohibits gaugers from employing any owner, agent, or superintendent of any distillery or distillery warehouse, or any rectifier, or wholesale liquor-dealer, or any person in their service, "to use his brands, or to discharge any of the duties imposed upon him by law," and imposes severe penalties for such dereliction of duty. When gauged and proved, the gauger will mark with a cutting or branding-iron upon the bung-stave of each cask the number of wine-gallons and the number of proof-gallons contained therein, with the proof, and the gauger will, in the presence of the storekeeper, place upon the head of each cask the distillery-warehouse stamp, and also cut or burn upon the head of each barrel the serial number of the barrel.

The serial number for every distillery must begin with number one, (No. 1,) with the first cask deposited, and no two or more casks warehoused at the same distillery by the same distiller shall be marked with the same number.

Fractions of proof-gallons must be ascertained, marked, and reported, in all cases, but the tax will be collected on the fraction of the gallon as if it were a whole gallon where the fraction is one-half or over; but where it is less than one-half, such fraction will be dropped.

When withdrawn from warehouse on payment of tax, each cask must in addition to the tax-paid stamp, have cut or burned upon it the name of the distiller, the district, the date of the payment of the tax, the number of proof-gallons, and the number of the tax-paid stamp.

All of this, except the date, number of wine-gallons, proof, and proof-gallons, and number of the stamp, may be burned upon the cask prior to its being filled at the cisterns, and the date and numbers cut with a die at the time the tax-paid stamp is attached. The package must be conspicuously branded with the particular name of the spirits known to the trade as "high-wines," "rye," "bourbon," or "copper-distilled" whiskey, as the case may be.

When withdrawn from warehouse and intended for export, each cask must, in addition to the export-stamp, have cut or burned upon the head of the cask the name of the distiller, the district, and State in which the distillery warehouse is located. the date of withdrawal, the proof-gallons, number of export-stamp, and the name of the port or place from which the spirits are to be exported.

Attention must be given not only to place all the marks, brands, and stamps required upon each package, but to have the marks, brands, and the wording of the stamp legible.

Parties for whom spirits are gauged are required to furnish all the help needed to handle the cask or package; to furnish the paste or glue, tacks, varnish, paint or ink, brushes, stencils, branding-irons, vessels, and every necessary facility for the preparation of the cask or package to be put upon the market, except the instruments for weighing and gauging the spirits. The gauger being authorized to require all this, and to receive from Government his fee for the work performed, he is in turn held responsible that when the cask or package leaves his hands the legal preparation for marketing is every way complete.

Gaugers are not required to make an actual gauge when spirits are withdrawn from distillery warehouse, except when withdrawn for export, or specially ordered to do so.

GAUGERS' REPORTS.

Gaugers will inspect, brand, and stamp all spirits required by law to be inspected, and all spirits which have been inspected, when directed so to do by the collector. No gauger can deputize or allow another person to act for him.

Returns of inspections are to be made daily to the collector, containing a true account, in detail, on Form No. 59, 59*a*, or 59½, as the case may be.

When a gauger is called upon to gauge distilled spirits for two or more distilleries upon the same day, he will report the spirits gauged for each distiller upon a sepa-

rate report, and in such a manner that there can be no mistaking the casks and contents gauged at each distillery. The proof and taxable gallons will be correctly footed in each report by the gauger.

When spirits are gauged for entry into a distillery warehouse, the gauger will make three reports for the use of the Government, viz: one on Form 59, which he will forward at once to the collector of the district, who, after making the examination required below, will transmit the same to the Commissioner of Internal Revenue, and the other two on Form 59*a*, a modification of Form 59, to be disposed of as follows: one report to be handed to the collector and the other to the storekeeper, who will transmit the same, enclosed in his daily report on Form 86, to the Commissioner.

When spirits are withdrawn from a distillery warehouse, the gauger will make two reports, (both on Form 59*a*, except during permanent suspension, when one of the reports will be on Form 59,) to be disposed of as follows: one report, in all cases, on Form 59*a*, to be handed to the storekeeper, and forwarded with his daily report on Form 86, to the Commissioner; and the other (which will be on Form 59 during permanent suspension, and in all other cases on Form 59*a*) to the collector.

In some cases all the spirits entered into a distillery warehouse on a given day are withdrawn from the warehouse during the same day.

In such cases, where no other spirits are withdrawn during the day, the gauger is required to make only one report for the day through the storekeeper to this office on Form 59*a*.

In making this report the gauger will use the latest edition of Form 59*a*, which has a column for the serial numbers of warehouse-stamps, and another column for the serial numbers of tax-paid stamps; he will enter in these columns the serial numbers of the warehouse-stamps and tax-paid stamps respectively; and he will endorse these numbers on the return, and under the words (printed on the back of the form) "Gauger's return of spirits," write the words "Entered into and withdrawn from warehouse."

Unless all the spirits entered on a given day, and only

those, are withdrawn on the same day, the gauger will be required to hand the storekeeper separate reports covering entries and withdrawals respectively.

Gaugers will bear in mind that the report which is to be forwarded to the Commissioner, enclosed in the storekeeper's report on Form 86, is in all cases to be made on Form 59*a*, and that the report to be forwarded to the Commissioner for review is on Form 59.

Gaugers assigned to duty at fruit-distilleries are also required to make their daily report on Form No. 59½, in triplicate, and forward the same to the collector of their district, who, after examining them, will immediately forward one copy to the Commissioner.

AGENTS REQUIRED TO EXAMINE THE WORK OF GAUGERS.

Agents are expected to be thoroughly conversant with the regulations governing the marking, branding, and stamping of packages of distilled spirits, in order that any irregularity or negligence on the part of the gauger may be readily detected by them. They should, when they visit distillery warehouses, or examine spirits upon the market, not only see that the packages bear all the required marks, brands, and stamps, but should carefully observe if the brands and marks are correctly and legibly placed thereon, and if the stamps are properly filled, securely attached to the package and effectively cancelled. Vigilance by agents in this respect will materially aid in preventing the reuse of stamps. Any failure of gaugers to conform to the law and regulations in every particular must be promptly reported to this Office.

DUTY OF COLLECTORS TO SEIZE SPIRITS FOR DISCREPANCY BETWEEN THE MARKS AND BRANDS ON THE PACKAGES AND THE ACTUAL TAXABLE CONTENTS.

The attention of collectors of internal revenue is called to the necessity of requiring spirits to be inspected and gauged with great care and thoroughness, and to have the packages marked accurately, so as to show the *actual proof and contents.*

Whenever an examination of any distiller's original package shows an excess of spirits of one proof-gallon or upwards over and above the quantity which, according to the marks, stamps, and brands on such packages, might be lawfully contained therein, it should be detained for investigation, and a careful gauge made by at least two competent gaugers, where practicable, and if the excess as found by both of them should amount to one proof-gallon or upwards in any package, the taxable excess should be estimated by the collector, and reported for assessment against the distiller.

In making such report, the serial numbers of the packages in which the excess is found should be given, and the name of the gauger who originally gauged the spirits should be reported.

If there is no ground for detention other than this excess, and the collector is satisfied that the excess occurred without fraudulent intent, he may release the goods, without costs to the Government, upon being notified that such assessment has been paid; or, if the parties in whose possession the spirits were detained desire to pay the assessment for the distillers, in order to obtain earlier possession of the goods, the collector may receive the tax from them, and immediately release the goods, without waiting for the assessment to be made; and, in that case, he should report the amount, on Form 51, as a collection for the district in which the tax is payable, and he should promptly notify the collector of that district of such collection, in order that he may not demand payment from the distillers.

If the unlawful excess so found should be so large as to awaken suspicion of fraud, the spirits should be seized and reported to this Office for instructions as to proceeding for their forfeiture.—(Special No. 150, revised May 7, 1879.)

STAMPS FOR DISTILLED SPIRITS.

Under the provisions of sections 3287, 3295, 3320, and 3330, Revised Statutes, the legislative appropriation act of August 15, 1876, the act of March 3, 1877, and the act

of March 1, 1879, stamps for distilled spirits have been prepared and are now in use, as follows:

Distillery-warehouse stamps, to be used on all original packages of distilled spirits produced at registered-grain and molasses-distilleries.

Special bonded-warehouse stamps, and rewarehousing stamps on original packages of brandy made from grapes, deposited in special bonded warehouses under the act of March 3, 1877.

Tax-paid stamps of denominations from 20 gallons to 130 gallons, to be used on original packages of spirits of all kinds.

Tax-paid stamps of denomination of 10 gallons, with nine coupons attached, to be used only on original packages containing less than twenty gallons of spirits made from apples, peaches, or grapes exclusively.

Stamps for rectified spirits, to be used only by rectifiers on packages containing spirits subjected to the process of rectification as defined by section 3244, Revised Statutes.

Wholesale liquor-dealers' stamps, to be used upon packages filled from other packages by wholesale liquor-dealers.

Export-stamps, to be used on packages of spirits withdrawn from warehouse for exportation in bond.

Stamps for imported spirits, to be used on packages of imported distilled spirits filled for shipment, sale, or delivery, on the premises of any wholesale liquor-dealer.

These stamps are engraved and bound in book form, the books of tax-paid stamps containing one hundred and fifty stamps each; rectified-spirit stamps, two hundred each; wholesale liquor-dealers' stamps, and stamps for imported spirits, three hundred each; distillery-warehouse and exportation-stamps, four hundred each; and special stamps for warehousing and rewarehousing grape-brandy, three hundred each.

The tax-paid stamps are for 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 gallons, with nine coupons attached, each coupon representing one gallon. The 10-gallon stamp is for brandy distilled from apples, peaches, or grapes exclusively.

Rectifiers' and wholesale liquor-dealers' stamps, and the

stamps for imported spirits, are for 5, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 gallons, with four coupons, representing one gallon each, attached to the five-gallon stamp; and nine coupons, representing one gallon each, attached to stamps of all other denominations.

All tax-paid, rectifiers', wholesale liquor-dealers', export-stamps, and stamps for imported spirits, are now issued with a slip of paper affixed to the back of each stamp.

DESCRIPTION OF THE DIFFERENT STAMPS FOR DISTILLED SPIRITS.

The distillery-warehouse stamp must be signed by the collector, storekeeper, and gauger, and have written thereon the number of proof-gallons contained in the package, the name of the distiller, the date of the receipt in warehouse, and the serial number of each cask.

Special bonded-warehouse stamps must be signed by the collector and gauger, and have written thereon the name of the distiller, number of the district, number of the warehouse, serial number of cask, and the contents in proof-gallons.

The rewarehousing-stamp must be signed by the collector and storekeeper, and have written thereon the serial number of cask, the contents in proof-gallons, the name of the distiller, and number of the district, the number of the bonded warehouse from which the package was withdrawn, and the number of the bonded warehouse into which it is entered.

The tax-paid stamp must be signed by the collector, storekeeper, and gauger, and shall have written thereon the date of payment of the tax, by whom paid, the number of proof-gallons, serial number of cask, location of warehouse, and the name of the person to whom the same is to be delivered.

The rectifiers' stamp must be signed by the collector and gauger, and shall state the date when affixed, the number of proof-gallons, the number of the district, and name of the rectifier.

The wholesale liquor-dealers' stamp must be signed by the collector, and there must be written thereon the num-

ber of the collection district, the name of the wholesale liquor-dealer to whom issued, the number of wine-gallons, and the present proof; also the number, stamp, and original proof of the package from which it was taken.

The export-stamp must be signed by the collector and gauger, and there must be written thereon the date when and the name of the person to whom issued, the serial number of the cask, and number of proof-gallons.

The stamps for imported spirits must be signed by the collector, and there must be inserted in the body of the same the date, the name of the wholesale liquor-dealer to whom issued, the place of business, the number of wine-gallons, whether imported or filled, and by whom, giving the name of the importer or the wholesale liquor-dealer, as the case may be, the district and State where he does business, the kind of stamp on the package from which the spirits are to be drawn, stating either stamp for imported liquors or stamp for imported spirits, the number of said stamp, the original proof, and present proof of the spirits.

THE USE OF STAMPS.

The original packages of a distiller, which must be of not less capacity than twenty wine-gallons, must, after removal from warehouse, bear the distillery-warehouse and tax-paid, or warehouse and export-stamps.

The absence of these stamps from any cask of raw spirits or high-wines is evidence that the tax has not been paid, or that there has been a change of package, and the cask in such latter case, if containing five or more gallons wine-measure, must bear the wholesale liquor-dealers' stamp, and be marked as hereinafter provided.

So long as the original package remains unchanged and bears the distillery-warehouse and tax-paid stamps, and is not intended for export, no other stamp is required.

All spirits produced by distillers of apples, peaches, or grapes exclusively are required to be drawn into casks of not less than ten wine-gallons capacity, and must bear the tax-paid stamps, or, in case of grape-brandy, the special bonded warehouse-stamp. The absence of these stamps is evidence that the tax has not been paid, or that

there has been a change of package, and the cask containing five or more wine-gallons in such case must bear the wholesale liquor-dealers' stamp, and the marks hereinafter required. So long as the original package remains unchanged, and bears the tax-paid stamp, no other stamp is required. The marks, brands, and stamps must be effaced and obliterated on emptying, and the special brand cancelled, as in the case of other distillers' packages.

Under the provisions of section 3320, Revised Statutes, every package of rectified spirits, filled for shipment, sale, or delivery, on the premises of any authorized rectifier, must be gauged, inspected, marked, and branded as hereinafter provided, and have affixed thereto the stamp for rectified spirits. *It must be understood, however, that the term rectified spirits is here used in its legal and not in the ordinary commercial signification of the term. Any person who purchases tax-paid spirits and redistills or compounds the same, or who purifies or refines such spirits by any process, is a rectifier as defined by law; and the spirits so redistilled, compounded, refined, or purified, are rectified spirits, and must bear the stamps for rectified spirits.*

Any person who sells or offers for sale spirits in quantities of five wine-gallons and upward is a wholesale liquor-dealer; and every cask or package of five gallons or more, filled for shipment, sale, or delivery, on the premises of any wholesale liquor-dealer, must have affixed thereto the wholesale liquor-dealers' stamp, and be marked as hereinafter provided.—(Act of August 15, 1876. See Circulars No. 150, August 17, 1876, and No. 153, September 2, 1876.)

The attention of all officers of internal revenue is specially called to these instructions, as much confusion has arisen in consequence of the indiscriminate use of the stamp for rectified spirits and the wholesale liquor-dealers' stamp. The use of the wholesale liquor-dealers' stamp upon the original packages of rectified spirits put up by a rectifier is improper, and must not be allowed; and the term rectified spirits must not be limited to its old commercial sense, but must be construed to cover all spirits included in the statute definition.—(Internal-Revenue Record, volume 24, page 249.)

Where a wholesale liquor-dealer or rectifier purchases

spirits in the original packages as put up by a distiller or rectifier, properly marked and stamped as such, no regauging or restamping is required. Where a wholesale liquor-dealer purchases packages of spirits properly marked, stamped, and branded, and sells them in the same condition, no other stamp or mark is required.

A neglect or failure to comply with the requirements of section 3320 and the act of August 15, 1876, so far as the latter relates to wholesale liquor-dealers' packages, renders the package of spirits liable to forfeiture.

The provisions of section 3323, or of the act of August 15, 1876, so far as the latter relates to wholesale liquor-dealers' packages, apply to all cases where distilled spirits are drawn from any cask or package, and placed in any other cask or package containing not less than ten gallons and intended for sale, without regard to the person by whom, or the place where, such change is made; and the absence of the required marks or brands is declared to be sufficient cause of forfeiture.

Spirits intended for export must have the export-stamp affixed and properly cancelled before the same are withdrawn from warehouse. Packages of spirits withdrawn for export will bear only the warehouse and export-stamps, but must be marked and branded as hereinafter directed.

STAMPING IMPORTED SPIRITS.

Section 11 of the act entitled "An act to amend the laws relating to internal revenue," approved March 1, 1879, provides as follows:

"That all distilled spirits, wines, and malt liquors, imported in pipes, hogsheads, tierces, barrels, casks, or other similar packages, shall be first placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected, marked, and branded by a United States customs gauger, and a stamp affixed to each package, indicating the date and particulars of such inspection; and the Secretary of the Treasury is hereby authorized to prescribe the form of, and provide, the requisite stamps, and to make all regulations which he may deem necessary and proper for carrying the foregoing requirements into effect."

In accordance with this law, the Secretary of the Treasury has issued a circular addressed to collectors and other officers of the customs, containing the following instructions, viz:

"To carry into effect the above provisions, stamps, with stubs, have been prepared by the Department, and will be supplied, in book form, upon requisitions of collectors, in such numbers as may be required. Collectors will cause the blanks provided in the stamps to be filled up by inserting the date when issued, (and in the case of distilled spirits, the name of the importer,) the port of importation, the name of the vessel and date of arrival, the number of wine gallons, and, in the case of spirits, also that of proof-gallons, contained in the package, and the commercial name of the wine or liquor contained therein; and the stamp will be signed by the gauger who may inspect the package as hereinafter provided:

"Before the removal from the custody of the officers of the customs of any package of imported spirits, wines, or malt liquors, the collector will detail a United States customs gauger, and this officer will make a careful gauge of the package, and will cut upon the bung-stave the number of wine-gallons, and, in the case of spirits, the proof, outage, and number of proof-gallons, and will also cut or mark upon the head of the package, in letters at least one-half inch in length, the date of inspection, the serial number of the stamp to be affixed, and the name of the spirits, wines, or malt liquors contained therein, as known to the trade, and a report of such gauge shall be made under the provisions of article 1138 of the General Customs Regulations of 1874.

"Each package must be gauged and inspected separately, without regard to marks and brands already on such package, and fractions of gallons will be marked as provided in article 1137 of the regulations referred to.

"The gauger will affix the stamps, and in attaching them will take care to guard against their cracking and peeling off. Collectors of customs will be guided by their own judgment in regard to requiring the goods to be carted to public store or bonded warehouse for the mere purposes

of inspection and stamping, and where, in their judgment, such inspection, stamping, &c., can as well be done at the place of landing, they may permit that course to be taken. Each stamp must be cancelled immediately upon affixing by means of a suitable stencil-plate having five parallel waved lines, which must be long enough to extend one inch beyond each end of the stamp on the wood of the cask. A coating of transparent varnish or other suitable substance should be applied to protect and preserve the stamp after it has been affixed and cancelled."

Section 11, act of March 1, 1879, further provides that—

"Whenever any cask or package of imported distilled spirits of not less than five wine-gallons is filled for shipment, sale, or delivery on the premises of any wholesale liquor-dealer, the same shall be stamped with a special stamp for imported spirits, under such rules and regulations as the Commissioner of Internal Revenue has prescribed, or may hereafter prescribe, in the case of domestic distilled spirits."

In accordance with the above provision of law, an additional wholesale liquor-dealers' stamp has been prescribed, called "*stamp for imported spirits*," and is described on a preceding page. It will be used solely upon packages containing imported spirits, and will not protect domestic distilled spirits. Agents and officers should be careful to observe the distinction between the "*stamp for imported liquors*," which is affixed by the customs gauger to the original imported package, and which will not protect domestic spirits, or imported spirits after change of package, and the "*stamp for imported spirits*," which is issued by collectors of internal revenue to wholesale liquor-dealers to be attached to packages of imported spirits filled upon their premises for shipment, sale, or delivery.

The fact that illicit domestic spirits were frequently placed upon the market in imported packages made it necessary to provide stamps for imported spirits which it is believed will prevent frauds of that character. Under the present system every package containing five gallons or more of distilled spirits lawfully upon the market will

bear a stamp or stamps of one of the classes herein described.

The absence of any stamp or brand required by law from any package of spirits containing five gallons or more works a forfeiture of the package and contents. (See section 3289, U. S. Revised Statutes.)

DUPLICATE STAMPS FOR PACKAGES OF SPIRITS FROM WHICH TAX-PAID STAMPS HAVE BEEN LOST OR DESTROYED.

Section 3315, Revised Statutes, authorizes the Commissioner of Internal Revenue, under such regulations as he may prescribe, with the approval of the Secretary of the Treasury, to issue tax-paid stamps for restamping packages of distilled spirits, upon which the tax shall have been duly paid, but from which the stamps have been lost or destroyed by unavoidable accident.

In all cases where parties hold packages of distilled spirits from which the original tax-paid stamps have been lost or destroyed by unavoidable accident, the collector of the district should be immediately notified.

On receipt of the notification the collector will cause the packages to be carefully inspected and the spirits gauged, and the gauger will prepare and transmit to the collector a certified statement showing the number of packages, the wine and proof-gallons found in each, the marks and brands thereon, the appearance of that portion of the packages to which the stamps were affixed, whether any portion of the stamps remain, and all other material facts. The owner of the packages will also transmit to the collector full proof of all the facts in the case in the form of affidavits. The evidence should conclusively establish the original payment of the tax and all the circumstances connected with the loss or destruction of the stamps.

The collector will then forward all the papers in the case to the Commissioner, with a statement as to the credibility of the witnesses and character of the applicants, and will also state his opinion and recommendation. It should be remembered that there is no authority for the issue of spirit-stamps other than tax-paid without prepayment therefor.

The amount actually received for all kind of stamps for spirits should be reported monthly on Forms Nos. 90 and 90½, also on Form No. 51.

STAMPS INTRUSTED TO GAUGERS.

The books containing distillery-warehouse stamps, rectifiers' stamps, and warehousing and rewarehousing-stamps for grape-brandy, may be intrusted by the collector to a gauger, whenever he may deem it necessary so to do, and he may require such gauger to give security to return or account for all such stamps. Such gauger must make a daily report to the collector, on Form No. 118, of all such stamps used by him, and for whom used.

When all the stamps contained in any book shall have been issued the collector will return the book, with all the marginal stubs therein, to this Office; all the blanks in such stubs being filled, so that a perfect record of the use of the stamps detached therefrom may be preserved.

The stubs must in no case be removed from any of the books, and all unused coupons must remain attached to the marginal stubs. No coupon will be of any value when detached from the stamp or stub.

The export-stamps will be issued to collectors as in case of stamps other than tax-paid, and will be charged to them and accounted for in the same manner. The sum of ten cents for each package to which an export-stamp shall be affixed will be paid to the collector on making the entry for transportation.

The services of gaugers not being required at the establishments of wholesale liquor-dealers, it is prescribed that all stamps ordered by wholesale liquor-dealers shall be paid for to the collector on or before delivery.

ISSUE OF STAMPS FOR SPIRITS.

The law (sections 3267 and 3287) imperatively requires that all spirits produced in any distillery shall be drawn off from the receiving-cisterns at least once in three days, and be gauged and marked and immediately removed to the distillery warehouse. The gauger will mark the casks

as hereinbefore required, and affix the warehouse stamp to each cask as required. If the book of stamps is not in possession of the gauger, the collector or deputy collector will issue the stamps upon the report of the gauger, in detail, of his inspection, keeping an account of the number of stamps so furnished to each distiller.

Spirits may be withdrawn from warehouse on payment of the tax, on making with the collector of the district an entry for withdrawal in duplicate. The collector or deputy collector will, upon receipt of the tax, cut from the book stamps with the requisite coupons annexed, properly filled up and signed, which will be affixed by the gauger, in presence of the storekeeper, to a smooth surface on the head of the respective casks, as hereinafter directed.

RECTIFIERS' NOTICE, FORM 122.

Section 8 of the act of March 1, 1879, requires that, when any rectifier intends to rectify or compound any distilled spirits, he shall give notice thereof, in duplicate, to the collector of the district in such form as the Commissioner of Internal Revenue may prescribe.

Whenever any rectifier proposes to empty any spirits for the purpose of rectifying, purifying, refining, redistilling, or compounding the same, either in fact, or, as in the case of mixing in the packages, constructively, he will enter in the proper place on Form 122, revised April 9, 1879, the number of casks or packages, and, in the proper columns, the serial number of each, the kind of stamps, and the serial number of each, the contents in wine-gallons and proof-gallons, and the proof as shown by the marks, the particular name of the spirits as known to the trade, by whom produced, rectified, or put up, the district where produced, the date of the original gauge, and by whom gauged.

This form must be filed in all cases with the collector before spirits are dumped, and gaugers are forbidden to gauge any spirits intended for rectification until they receive an order from the collector, and on said form.

Particular attention is called to the notes on the form, and it is expected that the requirements thereof will be fully complied with in every case.

Upon receipt of such notice collectors will deliver it to a gauger with instructions thereon to make an actual regauge of each package specified therein, and to make return of the spirits gauged.

Gaugers will not be required to make a report on Form 59, showing the gauge of spirits before dumping, except when specially ordered, but they *will be required* to fill every column on the revised Form 122, under head of "return of spirits gauged."

In cases where the stamps do not have the paper back, and in consequence thereof a portion of the stamp cannot be cut out and attached to the "return of spirits gauged," gaugers will be required to witness the dumping as heretofore.

Where rectified spirits are dumped, of which the hydrometer will not correctly indicate the proof, in consequence of the introduction of saccharine matter, the rectifier will in all cases report the proof-gallons the same as the wine-gallons in filling up the column on Form 122.

The rectifier's notice, Form 122, and the report of actual regauge will be required in all cases where the spirits are intended to be rectified by any process.

ISSUE OF RECTIFIERS' STAMPS.

When the process of rectification (including compounding, &c.,) has been completed, the rectifier will so notify the collector, giving the number of proof-gallons so rectified, redistilled, or compounded; thereupon the collector will, on Form No. 142, direct a gauger to gauge and inspect the same, and will issue stamps for rectified spirits covering the quantity of spirits, but not in any case to exceed the number of proof-gallons stated in the notice of the rectifier as filed in his office.

In cases where, by reason of the introduction of saccharine matter, the hydrometer will not correctly indicate the proof, whereby the number of proof-gallons is apparently increased by rectification, the rectifier in his notification of the completion of the process of rectification will report the number of proof-gallons the same as the number of wine-gallons; and collectors, if satisfied that

fraud has not been attempted—that the excess can be reasonably accounted for by the known processes of rectification—will issue stamps covering the spirits thus returned.

Rectifiers must stamp their product of rectification as soon as the process of rectification is completed, or as soon as the spirits are ready or fit to be placed upon the market. (Internal-Revenue Record, volume 24, page 249.)

In no instance will collectors issue stamps for rectified spirits to any rectifier until both the notices are filed with them; and such stamps will be delivered to the gauger, who will attach the same to the barrels or packages only upon the order of the collector.

Agents will make frequent examinations of the wholesale liquor-dealer's and rectifier's books, with a view of satisfying themselves that all the packages emptied in the establishment have been properly reported to the collector.

Whenever packages, having thereon tax-paid, rectifier's, or wholesale liquor-dealer's stamps, are gauged for the purpose of being dumped for rectification, the gauger must cut out, in case of a tax-paid stamp, that portion of the same upon which is shown the serial number of the stamp, name of the distiller, proof-gallons, and serial number of the package; in case of a rectifier's stamp, that portion on which is printed the serial number, the proof-gallons, the denomination of the stamp, and the district and State; and in case of a wholesale liquor-dealer's stamp, it should be cut from top to bottom between the words "proof" and "collector," which will be found near the bottom of the stamp. These slips will be attached to a slip of paper, which must be attached to the "Return of spirits gauged" whereon the gauging is reported, and returned to the collector's office.

The gauger must certify on Form 122 that, on the —— day of ———, 187—, he made an actual gauge of the spirits described in the form; that he saw the packages emptied and the stamps destroyed, and that the columns "Return of spirits gauged" are correctly filled up. Any gauger who is found to have signed the certificate in blank, or to have given a false certificate, will be recommended for dismissal from office.

In all cases gaugers will give the exact date on which they made the actual gauge and saw the packages emptied.

In cases where a few gallons are drawn from each of several packages and dumped into the rectifying-tubs, the gauger may not be able to certify that he saw the packages emptied and the stamps destroyed. In such cases, therefore, the gauger may erase that portion of the certificate, and certify only that he made an actual gauge, and that the columns "Return of spirits gauged" are correctly filled up.

Whenever a gauger erases any portion of the certificate, he will be required to state the reason for such erasure in a foot-note on the Form 122.

If less than the contents of a package or packages is dumped, the gauger will enter in the columns "Return of spirits gauged" the actual quantity emptied from each package.

In cases where the rectifying is done in the original package, said package will be considered as the rectifying-tub or vat, and no portion of the certificate will be erased.

Gaugers will be allowed to gauge the spirits described in the notice, Form 122, cut out the portion of the stamps required by the regulations, attach them to "Return of spirits gauged," and leave the spirits to be emptied by the rectifier.

In such cases, the gauger may erase the words "*saw the packages emptied and stamps destroyed*" from the certificate on Form 122.

It is held that section 3320, Revised Statutes, is not to be construed as authorizing the issue and attaching of rectifier's stamps except to cover such spirits as have been rectified in the legal signification of the term as defined in the third paragraph of section 3244.—(Internal-Revenue Record, volume 24, No. 32, page 249.)

WHOLESALE LIQUOR-DEALER'S STAMPS.

Stamps for packages containing five gallons or more of domestic or imported spirits will be furnished to wholesale liquor-dealers by collectors of internal revenue, on application being made therefor on Form 92 or 92½.—(See Circulars No. 150, August 17, 1876, and No. 153, September 2, 1876, and Series 7, No. 7, Supplement No. 2, page 12.)

In making application for a wholesale liquor-dealer's stamp, the *first* application for a stamp to cover spirits to be drawn from any package must be accompanied by a piece of the stamp on the package, which must be cut therefrom in the manner prescribed for spirits gauged for rectification.

Where the stamp on the package to be drawn from has not been provided with the double back, the fact will be stated on the application.

The stamps so obtained will be affixed and cancelled by the wholesale liquor-dealer as hereinafter specified.

In making application for the wholesale liquor-dealer's stamp for imported spirits, the *first* application for a stamp to cover spirits to be drawn from any package must be accompanied by a piece of the stamp on the package, which must be cut therefrom in such a manner as to show the kind and serial number of the stamp; date of issue and to whom issued; the port from whence imported; the name of the vessel; the wine and proof-gallons; the name of the collector, and the port where the stamp is issued.

If, after selling a portion of the spirits from any cask or package, the dealer wishes to dispose of the balance remaining in the original package bearing the remnant of a stamp, he will be required to make another application for a stamp or stamps to cover such balance, either in such original package or other packages to which it may be changed; and if to be sold in the original package, the remnant of the stamp and all marks and brands shall be erased from said package, as required by law and existing regulations.

In case a sale is to be made of spirits from a cask or package bearing the "stamp for imported spirits," such stamp will be cut in such a manner as to show the kind and serial number of the stamp; date of issue and party to whom issued; the wine-gallons; the name of the party who filled the package; the kind of stamp and serial number of original stamp; original and present proof, and the name of the collector.

The collector will preserve each application for wholesale liquor-dealer's stamp, (Form 92 or 92½,) and record the same daily in a book to be provided for that purpose.

When the wholesale liquor-dealer is located at a point where it is inconvenient to make application to the collector for the stamp, he may make application to the nearest deputy collector, who is hereby authorized to receive such application, and to issue said stamp in the same manner as the collector, preserving such application and recording it in a book to be kept by him for that purpose.

Wholesale liquor-dealers will be held strictly responsible for the accuracy of the description in their application (Form 92 or 92½) for the stamp or stamps desired, and that the facts required to be stated therein are correctly stated.

In stating the present proof of the spirits the original proof should be given, unless the spirits have since been reduced by water.

In no case shall dealers be allowed to sell the spirits remaining in a package bearing the remnant of a stamp, or remove the package with such spirits therein from their premises, unless such package is restamped with a wholesale liquor-dealer's stamp.

Should a rectifier wish to dump a package from which a portion of the spirits has been sold by him as a wholesale liquor-dealer, he will make application on Form 92 for a stamp to cover the spirits remaining in the package, and attach said stamp as hereinbefore required.

He will then transfer such package to himself as a rectifier, reporting such transfer on his book, (Form 52,) after which the notice on Form 122 may be given in the usual manner.

If, after a portion of the spirits has been sold from any cask or package, a wholesale dealer (who has paid special tax as a retail liquor-dealer) wishes to retail the balance on the same premises, he must transfer such balance to himself as a retail liquor-dealer, and report such transfer on his book, Form 52.

It is suggested that, in order to prevent confusion where several sales are made from the same package, wholesale liquor-dealers should keep a record of the applications on Form 92 for each package, giving date and quantity to be covered by the stamp asked for in each application.

EXPORT-STAMPS.

When the owner of distilled spirits desires to remove the same from a distillery warehouse for exportation under a transportation-bond, he will give notice of his intention to the collector of the district in which the distillery warehouse containing the spirits is situated, who will thereupon detail a gauger and deliver to him an order in triplicate to inspect and gauge the spirits, and affix to each package the proper export-stamp. It will be the duty of such gauger to gauge each package of spirits and make a report to the collector on a form hereinafter prescribed, accompanied by a detailed report on Form 59.

The gauger will carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks. He will report the date of the production of the spirits and the amount contained in the packages when entered into warehouse. In every case he will see that the export-stamp is affixed to each package and properly cancelled before the spirits are withdrawn.

STAMPS FOR FRUIT-BRANDY.

All spirits produced by distillers of apples, peaches, or grapes exclusively are required to be drawn into casks of not less than ten wine-gallons capacity, and to be retained at the designated place of deposit at the distillery until the tax is paid thereon and the tax-paid stamp is attached thereto, except that brandy made from grapes may be removed in bond from the place of manufacture to a special bonded warehouse without payment of tax, under the provisions of the act of March 3, 1877.—(See Series 6, No. 7, Supplement No. 3.)

The original packages of this class of distillers must, therefore, bear the tax-paid stamps, or, in case of grape-brandy, the special bonded-warehouse stamp.

On payment of the tax upon the brandy, as shown in the gauger's report, the collector shall prepare tax-paid stamps of the proper denomination, with all the blanks filled up according to the facts as appearing in such

gauger's return, including the serial number of the cask to which each stamp is to be attached, which stamps shall be signed by the collector, as well as by the gauger making the return, and delivered to the distiller.

Upon the receipt from the collector of the tax-paid stamps, the distiller shall affix the same to the casks in a secure and permanent manner, as hereinafter directed.

IMITATION STAMPS.

Section 17 of the act of February 8, 1875, forbids any person to affix to or upon any cask containing, or intending to contain, distilled spirits, any imitation stamp or other engraved, printed, or stamped or photographed label, device, or token, which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of any internal-revenue stamp required to be affixed to or upon any cask or package containing distilled spirits.

RESPONSIBILITY FOR ISSUING AND AFFIXING STAMPS.

Officers who are responsible for the control of stamps for distilled spirits should be extremely careful in their issues, so as not to make themselves accessory to fraud by enabling dishonest persons to place upon the market illicit spirits under cover of genuine stamps. No stamp should be issued for or affixed to any package of distilled spirits until the officer responsible therefor is satisfied that all provisions of the law relating to the same have been complied with, and that the stamp correctly represents the character of the contents. The attention of all officers having control of stamps for distilled spirits, or who are directly or indirectly connected with the affixing of the same upon packages, is called to the provisions of section 3316, Revised Statutes.

MARKING AND BRANDING OF CASKS OR PACKAGES OF DISTILLED SPIRITS.

When spirits are drawn from the receiving-cisterns, they must be gauged, proved, and marked, and in addition to affixing the distillery-warehouse stamp in the presenc

of the storekeeper, the gauger must cut upon the bung-stave, in a legible manner, the number of wine-gallons, the proof, and number of proof-gallons of spirits contained in each cask. At the same time the gauger will cut with a die, or burn upon the head of each cask, its serial number, in figures large enough to be easily read, and the serial number of the distillery-warehouse stamp, in like legible figures, immediately under the serial number of the cask.

The true contents of the package in wine-gallons must always be made to appear upon the bung-stave, and should be indicated by cutting the full capacity of the cask with the wantage immediately beneath, and under this the correction to volume followed by the sign plus (+) if the correction be added, and minus (—) if subtracted.

The serial number for every distillery must begin with number one, (No. 1,) with the first cask deposited, and no two or more casks warehoused at the same distillery may be marked with the same number.

When withdrawn from warehouse on payment of tax, each cask must, in addition to the tax-paid stamp, have cut or burned upon it the name of the distiller, the district, the date of the payment of the tax, the number of proof-gallons, and the number of the tax-paid stamp.

All of this, except the date, number of wine-gallons, proof, and proof-gallons, and number of the stamp, may be burned upon the cask prior to its being filled at the cisterns, and the date and numbers cut with a die at the time the tax-paid stamp is attached. The letters and figures constituting any brand or mark must in all cases be large enough to be easily read.

The package must be conspicuously burned or branded with the particular name of the spirits contained therein as known to the trade, in letters not less than one inch in length, as "high-wines," "rye," "bourbon," or "copper-distilled" whiskey, as the case may be.

It is required that the packages into which brandy is drawn at fruit-distilleries shall have the wine-gallons, proof, and proof-gallons cut upon the bung-stave; the name of the distiller, the district, the serial number of the cask, and the kind of spirits cut or burned upon the

head of the cask, and shall have marked thereon the date of gauge and the name of the gauger in such manner as to admit of the attaching of the tax-paid stamp between them.

When the distiller affixes the tax-paid stamp he is required to cut or burn in legible figures upon the head of each cask the serial number of the stamp attached thereto, and the date of the payment of the tax.

When spirits are withdrawn from warehouse for exportation in bond, the gauger will cut with a die, or burn upon each cask, the name of the distiller, the district, the date of withdrawal, the number of proof-gallons then ascertained, the number of the export-stamp, and name of the port from which the spirits are to be exported.

CHANGE OF PACKAGE IN WAREHOUSE.

When it becomes necessary, in order to prevent leakage or wastage, to change a package in a distillery warehouse. *i. e.*, to draw off the contents of a cask bearing the distillery-warehouse stamp and the accompanying marks and brands, and to place the same in a new cask, the spirits must be again inspected and gauged, the number of wine and proof-gallons must be cut upon the bung-stave and upon the head of each cask; the gauger will cut with a die or burn with a branding-iron his name and office, the time and place of inspection, the proof of the spirits, the name of such spirits as known to the trade, the name of the distiller, the distillery where such spirits were produced, and the serial number of the original package, together with the serial number of the warehouse-stamp.

MARKING AND BRANDING OF RECTIFIED SPIRITS.

Under the name rectified spirits are included all spirits which, after leaving the hands of the distiller, are leached through coal, redistilled, refined, compounded, or subjected to any process which would constitute the person using it a rectifier as defined by law.

Spirits subjected to any of these processes must be put up in casks, inspected and gauged, and in addition to

attaching the stamp for rectified spirits the gauger will cut upon the bung-stave the number of wine and proof-gallons, and mark upon the head of each cask, with a stencil-plate, in durable ink, his name and office, the date of inspection, the particular name of such spirits as known to the trade, the proof, the name and place of business of the rectifier, and the serial number of the stamp for rectified spirits affixed thereto; to which the rectifier may add any known trade-mark adopted and used by him; or, where such trade-mark is the distinctive name of the spirits as known to the trade, it may be used as the name of the spirits.

This brand or mark will be understood to represent that the package is a rectifier's original package, and that the spirits contained therein were rectified, refined, purified, redistilled, or compounded, and put up by the party named as a rectifier, and at the place stated in such brand or mark.

Where gaugers are called upon to inspect and gauge rectified spirits mixed with saccharine matter, the proof of which cannot be correctly determined by the hydrometer, they will mark the cask or package "No proof," and report the wine-gallons only. This will be done by cutting an "O" where the true per cent. of proof would otherwise appear upon the cask, by writing the wine-gallons upon the stamp and the word "No" before the words "Proof-gallons," and striking out the word "Gallons," so that it will read "No proof," and by writing the wine gallons only upon their reports, Form No. 59.

MARKING AND BRANDING WHOLESALE LIQUOR-DEALERS' PACKAGES.

The services of gaugers at wholesale liquor-dealers' establishments, for the purpose of gauging, stamping, and branding wholesale liquor-dealers' packages, are not required, and stamps for packages containing five gallons or more will be furnished to wholesale liquor-dealers, by the collectors of internal revenue, on application being made therefor on prescribed Form 92, or 92½. The stamps so obtained will be affixed and cancelled by the dealer, who

will mark on the head of the cask the serial number of the stamp and the particular name of the spirits known to the trade. The name and place of business of the wholesale liquor-dealer must also be placed on the head of the package, bearing stamp, as required by the instructions in regard to cancellation of such stamps. The above regulations apply to packages containing imported as well as domestic spirits.

AFFIXING, CANCELLATION, AND COVERING OF STAMPS.

By virtue of section 3322, Revised Statutes, it has been prescribed that the affixing, cancellation, and covering of stamps, including export-stamps, placed on casks or other packages containing distilled spirits, shall be done in the following manner, viz:

Affixing.—The affixing of stamps will be done by the gauger, and, when at a distillery, in the presence of the storekeeper.

In attaching the stamps, care will be taken to see that the surface of the head of the cask or package where the stamp is to be placed is clean and smooth, and free from any paint or oily substance, or any substance which would have a tendency to cause the stamp to crack or peel off; and that the paste or glue furnished is of the best quality, strong and well mixed, and every way suitable for attaching the stamp to the wood.

In affixing stamps other than those having a slip of paper attached to the back, one tack will be carefully driven in each corner of the stamp, one in the centre, and one in the centre of each side, making seven tacks in all.

When attaching the stamps, a portion of which is required to be cut out when the casks to which they are attached are emptied, eight tacks will be used for each stamp, as follows: One to be driven in each of the four corners, one in each side near the middle, and two near the centre above and below the portion to be cut out.

Cancellation.—The stamp having been affixed, it must immediately be cancelled. For this purpose the gauger will use a stencil-plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long

enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name of the gauger must be cut on one end of the plate, and his title, viz., "U. S. Gauger," on the other end, perpendicular to the lines. This plate must be imprinted, with black durable coloring material, over and across the stamp, as indicated, and the stencil-plate will be so set as to bring the five parallel waved lines across the stamp at such points as will least obscure the reading, and the coloring material will be so applied with the brush as to make these lines distinct, without blotting or spreading over the stamp. The stencil-plates, with the edges of the cuttings of the lines, letters, and figures, will be kept clean, and the coloring material will be carefully examined to see that it is of a quality which will flow readily without spreading, and will make a distinct and durable mark.

Covering.—The stamp having been affixed and cancelled, it must immediately be covered with a coating of transparent varnish or other substance. Any transparent varnish, or other similar substance, may be used for this purpose. No varnish will be used which is not transparent, or which is oily enough to affect in the least the paste on the stamp.

Wholesale liquor-dealer's stamps must be affixed and immediately cancelled by the dealer. For this purpose, the wholesale liquor-dealer will use a stencil-plate of brass or copper, in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch beyond each side of the stamp, on the wood of the cask; and the name and place of business of the wholesale liquor-dealer must be cut on one end of the plate, perpendicular to the lines. This plate must be imprinted, with blacking or durable coloring material, over and across the stamp, as indicated, and in such manner as not to deface the reading-matter on the stamp—that is, so as not to daub and make it illegible.

Upon the receipt from the collector by a distiller of fruit brandy of the tax-paid stamps for the packages of brandy previously gauged, marked, and branded, by the gauger, the distiller shall affix the same upon the head of each

package in the space between the name of the gauger and the date of inspection, in the manner required by these regulations; and shall cancel the stamp by writing across its face his name and the date upon which it is affixed; and shall cut or burn, in legible figures, upon the head of each cask, the serial number of the stamp attached thereto, and the date of the payment of the tax.

RESPONSIBILITY OF GAUGERS FOR THE MARKING AND BRANDING OF PACKAGES INSPECTED BY THEM.

Section 3316, Revised Statutes, imposes very heavy penalties upon revenue officers who shall affix or cancel stamps in any place or in any manner, other than as provided by law or regulations; and it behooves United States internal-revenue gaugers to know that parties for whom they stamp casks or packages are authorized to have them stamped, and that the stamp affixed and cancelled by them is the one provided by law for the special spirits contained in the cask or package to which it is attached, and that it correctly represents the kind, strength, and volume of such spirits. Section 3290, Revised Statutes, prohibits gaugers from employing any owner, agent, or superintendent of any distillery or distillery warehouse, or any rectifier, or wholesale liquor-dealer, or any person in their service, "to use his brands or to discharge any of the duties imposed upon him by law," and imposes a severe penalty for such dereliction of duty.

FORM, SIZE, AND MATERIAL OF PACKAGES FOR DISTILLED SPIRITS.

The provisions of section 3320, Revised Statutes, cover all packages filled for shipment, sale, or delivery on the premises of an authorized rectifier, whether containing spirits redistilled, leached through charcoal, or subjected to any process of rectification, filled from compounding-vessels, compounded or mixed in the original or another package. As the law requires all packages filled by a distiller or rectifier to be gauged, stamped, and branded, and as packages filled by wholesale liquor-dealers are

liable to inspection by internal-revenue officers, all such packages must be of such shape and size that they can be correctly gauged by the prescribed rod, and of such material as will admit of the attachment of the stamps and of the placing thereon all the marks and brands in the manner required by law.

STAND-CASKS.

The use of "stand-casks" is forbidden upon the ground that every package filled upon the premises of a wholesale dealer must be marked and stamped in accordance with law when filled, and must have all marks, stamps, and brands obliterated when emptied; and it is impracticable to carry out these requirements in the case of the ornamental casks known and used as "stand-casks."—(Internal-Revenue Record, volume 24, No. 30, page 233.)

EMPTY CASKS OR PACKAGES.

By the provisions of section 3324, Revised Statutes, every person who empties or draws off, or causes to be emptied or drawn off, any distilled spirits from any cask or package bearing any mark, brand, or stamp required by law, must, *at the time of emptying such cask or package*, efface and obliterate such mark, brand, or stamp. Any empty cask or package from which the marks, brands, or stamps have not been effaced or obliterated is declared to be forfeited, and any internal-revenue officer should seize the same wherever found.

Any person or transportation company who shall receive or transport or have in possession with intent to transport or to cause or procure to be transported any such empty cask or package, *or any part thereof*, having thereon any brand, mark, or stamp required to be placed on casks or packages containing distilled spirits, is liable to a penalty of three hundred dollars for each such cask or package, or any part of such cask or package; and any boat, railroad-car, cart, or other vehicle, and all horses or other animals used in carrying or transporting the same, are to be forfeited.

Any person who shall fail to efface and obliterate such mark, brand, or stamp *at the time of emptying such cask or package*, or who shall receive any such cask or package, or any part thereof, with intent to transport the same, or who shall transport the same, or knowingly aid or assist therein, or who shall remove any stamp from any cask or package without defacing or destroying the same at the time of such removal, or aid or assist therein, or who shall have in his possession any such stamp so removed, or who shall have in his possession any cancelled stamp, or any stamp which has been or purports to have been used, is deemed guilty of a felony, and to be punished by a fine and imprisonment.

Section 12, act of March 1, 1879, requires every person who empties or draws off the contents of any package of imported liquors, stamped as required by law, to obliterate and destroy the stamp and all the other marks or brands which shall have been placed thereon in accordance with law or regulations, at the time of emptying or drawing off the same, and forbids the use of any cask or package in which distilled spirits, wines, or malt liquors have been imported, to be used to contain domestic distilled spirits under penalty of forfeiture of the cask or package and its contents.

It also provides that every cask or package from which the stamp for imported liquors required to be placed thereon shall not be effaced, obliterated, or destroyed on emptying shall be forfeited, and that the same may be seized by any officer of the internal revenue wherever found.

And it applies all the provisions and penalties of section 3324 of the Revised Statutes relating to empty casks or packages from which the marks, brands, or stamps have not been effaced or obliterated, and relating to the removal of stamps from packages, and to having in possession any stamps so removed, to the stamps for imported spirits, and to the casks and other packages on which such stamps shall have been used.

Section 13 of the act of March 1, 1879, provides that if any person shall purchase or sell any package or cask with the imported-liquor stamp, or any of the marks or brands

which shall have been placed thereon in accordance with the laws or regulations concerning imported liquors remaining thereon, after the same has been once used to contain imported liquors and has been emptied, or if any person shall use or have in possession such cask or package with any imitation of such marks or brands for the purpose of placing domestic distilled spirits therein for sale, or shall for such purpose manufacture, use, or have in possession any cask or package made in imitation of, or intended to be in the similitude of, such imported casks or packages with any imitation of such marks or brands thereon, every such cask or package, with its contents, if any, shall be forfeited.

And every such person who shall violate any of the provisions of this section shall be liable to a penalty of two hundred dollars for every such cask or package so purchased, sold, manufactured, used, or had in possession.

The reuse, for the purpose of containing domestic distilled spirits, of any cask or package such as is above mentioned, and in which distilled spirits, wines, or malt liquors have been imported, is prohibited under penalty of forfeiture of the package and its contents; and the prohibition applies even if the stamp for imported liquors and all ship-marks or other marks or brands required by law or regulations have been effaced, obliterated, and destroyed at the time of emptying.

From all the above provisions of law, it is clear that the intent is to require that the marks, stamps, and brands on any cask of spirits shall be effaced and destroyed at the time the cask is emptied, and the responsibility of doing this is placed upon the person emptying it. The terms "efface and obliterate" must be understood to mean a complete destruction, so as to leave no part or portion of the marks, stamps, or brands legible or intelligible. Persons who have possession of, deal in, or are engaged in the transportation of empty spirit-casks or packages should understand their liability. If they violate the law, the penalties, though severe, must be enforced, and ignorance of its provisions, negligence or carelessness on the part of themselves or their subordinates, is not a sufficient excuse.

RECTIFIERS.

Any person who rectifies, purifies, or refines distilled spirits or wines by any process other than as authorized on distillery premises; and every wholesale or retail liquor-dealer who has in his possession any still or leach-tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any materials, manufacture any spurious, imitation, or compound liquors for sale under the name of whiskey, brandy, gin, rum, wine, spirits, cordials, wine bitters, or any other name, is to be regarded as a rectifier and as being engaged in the business of rectifying.

The attention of agents is called in this connection to the provisions of sections 3259 and 3280, Revised Statutes, and especially to the penalty imposed in the last proviso of paragraph "Third" of section 3244 as amended.

It is frequently discovered that wholesale liquor-dealers are in the habit of mixing and compounding spirits in violation of law. The special attention of agents is called to this practice.

What constitutes rectification is very clearly defined in the statute above referred to.

When an agent visits a wholesale liquor-dealer's store, he should make it one of the principal objects of his visit to ascertain whether the dealer is liable to pay the special tax of a rectifier. To this end, he should carefully examine the premises to see if there is any evidence that spirits have been mixed or compounded. The finding of burnt sugar, sirups, various kinds of extracts commonly used for flavoring, sweetening, and producing imitation liquors, is a very sure indication of this.

The books should also be examined, and, if they show the receipt of pure cologne or French spirits, they should be accounted for. If they are not on hand, or have not been sold in the same condition as received, the fair inference is that they have been used in the production of spurious, imitation, or compound liquors, and further investigation should be made to ascertain the disposition of the pure spirits.

The only change in the character of spirits which can be made by a wholesale liquor-dealer who has not paid the special tax as rectifier, is the reduction of the proof by the addition of water, or mixing spirits of the same kind and proof, produced at the same distillery, and varying in age not more than one year.

The payment of the special tax as a rectifier does not relieve any person from the payment of the special tax as a wholesale liquor-dealer on account of the sales of spirits, whether the same be of his own rectification or otherwise.

Rectifiers having or using any still or distilling apparatus must register the same, as provided in section 3258, Revised Statutes, and must give the notice required by section 3259, Revised Statutes. Such notice will be given on Form 27 B, in duplicate, and the collector will forward the duplicate to the Commissioner of Internal Revenue, accompanied by the registry of the stills on Form 26.

Section 7 of the act of March 1, 1879, provides that every rectifier shall, on filing with the collector his notice of intention to commence or continue business, and on the first day of May of each succeeding year, make and execute a bond in the form prescribed by the Commissioner of Internal Revenue, with at least two sureties, the condition of which shall be that the rectifier shall faithfully comply with all the provisions of law in relation to the duties and business of rectifier, and shall pay all taxes, penalties incurred, or fines imposed on him for violation of any of said provisions.

The penal sum of said bond shall not be less, in the case of a rectifier who rectifies by the process of redistilling, leaching, or both, than double the amount of the tax imposed by law on the spirits that can be rectified by such rectifier during the period of ten days, and the penal sum of the bond required of any rectifier by any other process than those hereinbefore named shall be fixed under such regulations as may be prescribed by the Commissioner of Internal Revenue, but in no case shall the penal sum be less than five hundred dollars nor more than fifty thousand dollars.

A new bond may be required in case of the death, insol-

vency, or removal of any of the sureties, and in any other contingency affecting its validity or impairing its efficiency, at the discretion of the collector or Commissioner.

The bond required by this section will be made and executed by the rectifier, with at least two sureties, upon Form 159.

Collectors will give special attention to the notes at the foot of the form, and require the bond to be executed strictly in accordance therewith.

The sureties should be required to justify upon Form 33 as to the particulars therein required.

The penal sum of the bond, it is provided, shall in no case be less than five hundred dollars nor more than fifty thousand dollars; but within these limits its amount is to be determined, in the case of a rectifier who rectifies by the process of redistilling, or leaching, or both, by double the amount of tax imposed by law on the spirits that can be rectified by such rectifier during a period of ten days. In the case of a rectifier who rectifies by any other process than those above named it is to be fixed by regulations.

To determine the sum required in the case of a rectifier of the class first mentioned, the collector will first consider the rectifier's annual notice, (27 B.) If the statement therein of the "Estimated quantity of spirits which can be rectified every twenty-four hours in the establishment" equals or exceeds 2,778 taxable gallons, it is evident that the penal sum of the bond must be the maximum provided by law, namely, fifty thousand dollars.

If the estimate of quantity to be rectified is less than 2,778 taxable gallons daily, it will then be necessary for the collector to consider the number, kind, and capacity of the utensils to be used by the rectifier, as stated in his notice, and to visit the rectifying-house and make careful estimate of its daily capacity, taking measurements when requisite for that purpose of the stills, leach-tubs, or other utensils to be used, and ascertaining the time required to fill and empty each one of said utensils. He will thus, and by such other means as he may have, ascertain with all practicable accuracy the quantity of spirits which can be rectified at that house in ten working-days.

The penal sum of the bond required of a rectifier who rectifies by any process other than those above named is hereby fixed as follows: For a rectifier who rectifies not exceeding 20 barrels of spirits of 40 proof-gallons each per month, $500; for a rectifier who rectifies more than 20 barrels of spirits of 40 proof-gallons each per month, $25 for each barrel, the sum, however, not to exceed $50,000 in any case.

To determine the sum to be required in the case of a rectifier of this class, the collector should consider the estimated quantity which the rectifier will rectify in twenty-four hours, as stated in his notice.

If this quantity calculated for a period of one month is not sufficient to call for the maximum penal sum, he may, in the case of a rectifier who is continuing business, consider the quantity of spirits which he has rectified in previous years, as shown by his monthly reports.

In any case the collector should visit and examine the rectifying-house. It is well known that the limit to the quantity of spirits which can be rectified by mixing or compounding, in any given time, depends mainly if not entirely upon the amount of custom or traffic which the rectifier may have, and upon his business facilities; upon the demand for the goods, and the stock and the capital of the rectifier. The quantity of spirits which the rectifier can rectify is consequently ascertainable only by estimate.

The collector should, therefore, upon view of the rectifier's notice, his previous monthly returns, if any, and his premises, determine as accurately as possible the quantity of spirits which the rectifier will rectify in the ordinary course of his business during each month, and then require bond to be given in accordance with the rate herein above fixed.

Under the provisions of section 3317, Revised Statutes, as amended March 1, 1879, rectifiers are required to make monthly returns to the collector, showing the quantity of spirits received for rectification, and from whom received, the quantity dumped for rectification, the quantity rectified, the quantity removed after rectification during the preceding month, and to give such other information as may be required by the Commissioner of Internal Revenue.

This return must be made to the collector on or before the tenth day of each month, on Form 45 revised.

Section 3319, Revised Statutes, declares it to be unlawful for any rectifier, or wholesale or retail liquor-dealer, to purchase or receive distilled spirits in quantities exceeding twenty gallons from any person not an authorized distiller, rectifier, or wholesale liquor-dealer, except at judicial sales, or sales by an authorized auctioneer.

Collectors must keep an exact account with each rectifier, and balance such accounts as debited with spirits dumped as shown upon the notice, Form 122, and as credited by spirits rectified as per the gauger's "Return of spirits gauged," such balance to be made at least monthly; and an issue of stamps to any rectifier in excess of the proof-gallons dumped according to the notice on file, will be regarded as a grave neglect of duty.

Agents should, from time to time, make careful examination at rectifying-houses, to see if the balance stated in the account kept by the collector with the rectifier is correct. For this purpose they should compare that statement with the record on Form 52 of spirits dumped for, and received from rectification. They should then ascertain the quantity of spirits on hand under process of rectification. Any discrepancy exceeding a fair allowance for loss in rectification should be reported to the collector and the Commissioner.

BOOK TO BE KEPT BY WHOLESALE LIQUOR-DEALERS AND RECTIFIERS.

Section 3318 of the Revised Statutes requires every rectifier and wholesale liquor-dealer to provide a book to be prepared and kept in such form as may be prescribed by the Commissioner of Internal Revenue, in which he shall record all foreign or domestic spirits received and disposed of by him.

This book must be at all times kept in some public or open place on the premises of the rectifier or wholesale liquor-dealer for inspection, and any revenue officer may examine it and take abstracts therefrom.

When it is filled up it must be preserved by said recti-

fier or wholesale liquor-dealer for a period not less than two years, and during such time it shall be produced by him to every revenue officer demanding it.

In accordance with the provisions of the section above referred to, Form 52 revised was prescribed under date of January 15, 1877.

This form of book is required to be kept by every rectifier and wholesale liquor-dealer who receives or sends out distilled spirits, and should exhibit all the spirits received or sent out, whether received or sent in pursuance of purchase, sale, or otherwise. Every person who rectifies, purifies, or refines distilled spirits or wines is a rectifier, except distillers who purify or refine distilled spirits in their distilleries in the course of original and continuous distillation from mash, wort, or wash, and every person who, by mixing distilled spirits, wines, or other liquors with any material, manufactures any spurious, imitation, or compound liquor for sale is also regarded as a rectifier. Every person who sells or offers for sale distilled spirits, wines, or malt liquors in quantities of not less than five gallons at the same time is a wholesale liquor-dealer.

Distillers who have given the required bond as such, and who sell only distilled spirits of their own production at the place of manufacture in the original cask or package to which the tax-stamp is affixed, are exempt from paying special tax as wholesale liquor-dealers, but are nevertheless required to keep this form of book, and to enter therein all spirits as received when the tax is paid thereon, and when sent out, to whom sent, &c. This definition of liquor-dealer is held not to apply to those acting in the capacity of clerks or agents for an authorized liquor-dealer at his place of business, nor to those who merely negotiate sales of spirits, of which they have neither actual nor constructive possession, for owners who make the delivery.

A person negotiating sales and making delivery as agent at a place other than the place of business of the principal thereby becomes a liquor-dealer, whether he acts in the name of his principal or not.

A distiller delivering spirits elsewhere than at the place of manufacture becomes liable as a dealer at such place

of delivery. Hence a distiller can only make sale of his spirits away from the place of manufacture by paying tax as a liquor-dealer, or through an authorized liquor-dealer. Rectifiers and wholesale liquor-dealers having spirits stored near their place of business and subject to their own control, for the purpose of being disposed of at their place of business, will regard such liquors as constituting part of their stock, and enter them accordingly. The business of rectifying, or selling, or offering for sale, cannot be carried on at such places of storage, but only at the place named in the special-tax receipt.

In entering "Spirits received," the following instructions must be observed:

Under "Date when received," give the year, month, and day on which the spirits are received.

Under "From whom received," enter name of the distiller, dealer, rectifier, or other person from whom the spirits are received. In no case will the name of an intermediate party, such as a common carrier or an agent who simply negotiates sales, be given in this column. Dealers and rectifiers cannot purchase or receive distilled spirits in greater quantity than twenty gallons from any person other than an authorized rectifier, distiller, or wholesale liquor-dealer; but it is provided that this provision shall not be held to apply to judicial sales, or to sales at public auction made by an auctioneer, and certain other sales are also excepted by paragraph fifth, Section 3244, as amended by section 4, act March 1, 1879. (See section 3319, Revised Statutes.)

Under "Whence received," write the name of the city or town, and State, and if a city, the street and number of the place of business of the person from whom received.

Under the head of "Number of packages," enter, in figures, the number of packages of each kind of spirits, as known to the trade, that have been received from one person or firm at one time.

Under the head of "Kind of spirits," enter the names as known to the trade, such as "High-wines," "Bourbon," "Rye whiskey," &c.

Under the head "By whom distilled or rectified," write the name of the distiller; or if the spirits have been recti-

fied, the name of the rectifier, with the district and State where distilled or rectified.

This information will appear in the stamps and marks on the barrels, whether change of package by a wholesale dealer has occurred or not.

Under "By whom and when inspected," give the name of the United States gauger who gauged the package and affixed the stamp, and the date of such gauge. The name will be found on the stamp and in the marks.

Under "Number of gallons," enter the number of wine-gallons and proof-gallons in each package, as shown by the marks of the United States gauger. The quantity in each package must be stated separately.

Under head of "Proof-gallons out," may be entered the number of gallons out, if a regauge is made at the time of receiving the spirits.

Under head of "Serial number of packages," enter the serial number of each package other than rectified spirits, which will be found on the head of the barrel under the bung-stave, on a line with the number of gallons; also, in the warehouse and tax-paid stamps. No serial numbers of package are required on casks of rectified spirits.

Under the head of "Serial number and kind of stamp," enter the series and serial number of each stamp, which will be found in red figures on the stamp on a line with the serial number of each package.

The series of stamps are shown in the letter preceding the serial number, as A, B, C, &c.

Under the head "Spirits emptied for rectification from stock received," on the left-hand page, every rectifier will enter in the appropriate columns, on the day of dumping, all spirits emptied for rectification, giving, in addition to the date, the number of wine and proof-gallons; the serial number of the packages; the serial number and kind of stamps; by whom distilled or rectified, and the date of original inspection.

In entering "Spirits disposed of," under head of "Date when sent," give the year, month, and day on which the spirits are to be sent out, or otherwise disposed of.

Under head of "To whom sent," give the name of the person to whose control the spirits are sent, whether in

pursuance of sale or otherwise; but the names of intermediate parties, such as common carriers or agents, who will not receive actual or constructive possession thereof, should not be given.

Under "Place of business," give the town or city and State of the person to whom sent, and if a city, the street and number of his place of business.

Under "Number of packages," enter separately, in figures, the number of packages of each kind of spirits, as known to the trade, sent to the same person or firm at the same time.

Under head of "Kind of spirits," give the name of the spirits as known to the trade.

In column "By whom distilled or rectified," write the name of the distiller, or, if the spirits have been rectified, the name of the rectifier, with the district and State where distilled or rectified. If by the party himself, he will enter his own name.

Under head "By whom inspected," give the name of the United States gauger making the gauge, and the date of such gauge.

In column "Number of gallons," give the wine and proof-gallons, as shown in the gauge-marks of the United States gauger making the last gauge. In no case must the quantity ascertained by a regauge be entered in this column.

In column "Number of proof-gallons out," may be stated the proof-gallons out, if a regauge is made.

Under head "Serial number of package," enter the serial number of each package other than rectified spirits. Under head of "Serial number and kind of stamps," enter the serial number of each stamp in the proper column.

Under head "Spirits received from rectification," enter the date when received; "Number of packages," the number of wine and proof-gallons, the kind of spirits, the serial number of rectifier's stamps placed thereon, the date of inspection, and the name of the gauger, each item to be in the appropriate column.

When a party carries on the business of wholesale and retail liquor-dealer on the same premises, he may take

credit on this account for spirits disposed of at retail. which he has entered as received, by setting aside packages from which to draw for retail only, and entering them as disposed of to himself as retail dealer.

Each package is required to be entered separately, except that, when a number of packages are received on the same day, from the same source, in the same way, distilled or rectified by the same person, inspected by the same gauger, and of the same kind, and where the serial numbers of the packages and of the stamps are continuous, such spirits may be entered in the aggregate. The same rule applies to the entry of spirits disposed of.

The wholesale dealer or rectifier must make the entries of spirits received in his Form 52, on the same day on which he received them, and before he draws off any part thereof, or in any respect alters the condition of the same.

He must also at the time of sending out of his stock or possession any spirits, and before the same are removed from his premises, make entry of the disposition of the same in said book.

RECTIFIER'S AND WHOLESALE LIQUOR-DEALER'S TRANSCRIPTS.

Section 3318, Revised Statutes, as amended March 1, 1879, requires that rectifiers and wholesale liquor-dealers shall, on or before the tenth day of each month, make a full and complete transcript of all entries made in their book, Form 52, during the month preceding, verify the same by oath, and forward it to the collector of the district. Blanks for these transcripts, Forms 52 *a* and *b*, "Spirits received and disposed of," are furnished by this Office. Distillers being required to keep the wholesale liquor-dealers' book, (Form 52,) will also be required to make these transcripts.

If any dealer or rectifier prefers to make the transcripts on manifold or other paper furnished at his own expense, he is permitted to do so, but they must correspond to the form prescribed, and must be verified by oath.

When the transcripts are received by the collector, he will examine them for the purpose of completing the record

of sales in his district and preparing the notice on Form 9, as is required in Circular No. 146. He will then carefully file and preserve them for future reference.

EXAMINATION OF WHOLESALE LIQUOR-DEALERS' BOOK, FORM 52.

Agents should frequently examine the books of wholesale liquor-dealers, rectifiers, and distillers, to ascertain if they are properly kept, and the entries made up to date. Any failure to make proper entries and to keep the books, as required by the law and regulations, should be promptly reported to the collector.

Agents will also compare the record of application for wholesale liquor-dealers' stamps (Forms 92 and 92½, kept by the collector) with the wholesale liquor-dealers' Form 52, to determine whether there has been an improper issue or fraudulent use of wholesale liquor-dealers' stamps.

RETAIL LIQUOR-DEALERS.

Retail liquor-dealers are only authorized to sell in quantities less than five gallons, and no reinspection or stamping of the packages of spirits so sold by them is required.

The spirits which they purchase in packages of five or more wine-gallons must be properly stamped, marked, or branded, and remain in the original casks or packages until drawn off for sale in retail packages, except where it becomes necessary from leakage or other cause to change the package. Where such change is made, such spirits must be again inspected and gauged, and the new package branded in accordance with the provisions of section 3323, Revised Statutes.

IMITATION SPARKLING WINES AND COMPOUND LIQUORS TO BE SOLD AS WINE OR AS A SUBSTITUTE FOR WINE.

Section 3328, United States Revised Statutes, provides as follows:

"On all wines, liquors, or compounds known or denominated as wine, and made in imitation of sparkling wine

or champagne, but not made from grapes grown in the United States, and on all liquors, not made from grapes, currants, rhubarb, or berries grown in the United States, but produced by being rectified or mixed with distilled spirits, or by the infusion of any matter in spirits, to be sold as wine, or as a substitute for wine, there shall be levied and collected a tax of 10 cents per bottle or package containing not more than one pint, or of 20 cents per bottle or package containing more than one pint and not more than one quart, and at the same rate for any larger quantity of such merchandise, however the same may be put up, or whatever may be the package."

Sparkling wines are produced by two processes. One is what is known as the natural process, by which the carbonic-acid gas, which imparts the sparkling property to the wine, is evolved by fermentation. In the artificial process the carbonic-acid gas is infused into the wine. The products of the former process are recognized as genuine sparkling wines, and are not subject to taxation under the internal-revenue laws; the products of the latter are imitation sparkling wines, and are subject to taxation under said section 3328, unless made from grapes grown in the United States. The use of any other material than such as may be necessary to convert the domestic grape into sparkling wine renders the article produced subject to tax. It is well known that large quantities of imitation sparkling wines are made in this country from cheap foreign wines, and put up in bottles with labels, corks, sealing-wax, &c., in imitation of popular brands of imported champagne.

So close is this resemblance that when the wines are once put upon the market it is almost impossible for revenue officers, in examining the stock of a dealer, to determine whether such wines are liable to the tax under said section or not. Agents should, therefore, watch carefully all establishments in their districts where they have reason to suppose that such imitation wines are manufactured, and see that the proprietors of the same comply with all the requirements of the law.

The second class of liquors taxed under said section consists of those produced by being rectified, or mixed

with distilled spirits, or by the infusion of any matter in spirits to be sold as wine or as a substitute for wine. Liquors made directly from grapes, currants, rhubarb, or berries grown in the United States, without the admixture of distilled spirits, are not taxable under this section. To render a liquor that has been produced by being rectified or mixed with distilled spirits or by the infusion of any matter in spirits liable to tax, it must be sold as wine or as a substitute for wine. This language includes not only those liquors that are sold under the specific name of wine, but also such as are of a similar character to wine and are popularly classed as wine in contradistinction to spirituous liquors. Genuine wine is the product of the vinous fermentation of certain fruits, but the article taxed under this section is a compound liquor, having as a basis distilled spirits, and sold as wine or as a substitute for wine. Revenue officers, in determining the liability of this class of liquors to tax, will be guided in a great measure by the manner in which the liquors are put upon the market and offered to the public, the general character of the liquor, and whether it is sold under the general name of wine, or is represented as possessing the properties or being a substitute for wine.

Under section 3244, Revised Statutes, all persons manufacturing the imitation sparkling wines and compound liquors described in section 3328, Revised Statutes, are rectifiers, and liable to all the requirements of law as such.

Suitable and special stamps have been prepared by the Commissioner of Internal Revenue denoting the tax imposed by this section, as follows: Stamps for imitation wines or substitute, 1 pint, 10 cents; stamps for imitation wines or substitute, 1 quart, 20 cents. These stamps are of the kind known as "strip stamps," and will be issued in sheets. They are designed to be placed over the cork or stopper of the bottle in such manner that in opening the same the stamp shall be effectually destroyed. These stamps must be cancelled by such persons writing or imprinting thereon in ink the name of the person or firm affixing the same, and the day, month, and year of such cancelling.

FORFEITED SPIRITS SOLD BY UNITED STATES MARSHALS.

Under the provisions of section 3334, as amended by act of March 1, 1879, Revised Statutes, all distilled spirits forfeited to the United States, sold by order of court, whether condemned before or after the passage of the act, are to be sold subject to tax, and the purchaser must immediately and before he takes possession of such spirits pay the tax thereon. And if any tax-paid stamps are affixed to any cask or package so condemned, such stamps must be obliterated and destroyed by the collector or marshal after forfeiture and before such sale.

The spirits so sold are subject to this tax without regard to the question whether or not any tax has been previously paid thereon.

Before the delivery of any spirits so sold to the purchaser, the marshal will mark with a stencil-plate, or brand with a branding-iron, each cask or package with his name and official title, together with the date and place of sale, and the words tax-paid, and the number of proof-gallons, with the name of the gauger who gauged the same, and the date of gauging.

No stamp, brand, or mark which may be upon the barrels at the time the spirits are condemned is to be removed or obliterated, except the tax-paid stamp, and the new tax-paid stamp and mark of the marshal should be so placed as not to cover or deface any of such stamps, marks, or brands.

STAMPING SPIRITS SOLD ON DISTRAINT UNDER ORDER OF COURT OR UNDER SECTION 3460, REVISED STATUTES.

Section 3334, as amended March 1, 1879, provides that, in cases where distilled spirits are offered for sale on distraint for taxes, where the taxes on such spirits have not been paid, or offered for sale for the benefit of the United States as forfeited under order of court, or under proceedings pursuant to section 3460, Revised Statutes, will not, by reason of being below proof, bring a price equal to the tax due thereon, but will bring a price equal to or greater than the tax on said spirit if computed only upon the proof-

gallons contained in the packages, then, and in such case, upon sale being so made, tax-paid stamps to the amount required to stamp such spirits as if the tax thereon were only on the proof-gallons may be used by the collector making such sale, or furnished by the collector to the United States marshal or other officer making the sale for the benefit of the United States, without making payment for such stamps so used or delivered. *For instructions as to stamping spirits under the above provision of law, see Series 7, No. 7, Supplement No. 2.*

APPRAISALS OF SPIRITS.

In appraising spirits seized for forfeiture, to ascertain whether they should be sold by the collector under section 3460, Revised Statutes, or reported to the district attorney, the tax which the purchaser is required to pay when the property is sold should not be included.

FORFEITED SPIRITS SOLD BY COLLECTORS.

When forfeited spirits are sold by collectors under section 3460, Revised Statutes, they must be sold subject to tax, as required by section 3334, Revised Statutes, and should be marked and branded in the same way as spirits sold by a marshal, with such change as may be required by the difference in title of the officer selling.—(See Series 7, No. 7, page 82, under the head of "Forfeited spirits sold by United States marshals.")

Instructions as to the mode of procedure under section 3460, Revised Statutes are given in the regulations, Series 7, No. 2, page 59.

LIABILITY TO TAX OF FOREIGN DISTILLED SPIRITS SOLD FOR VIOLATION OF CUSTOMS LAWS.

Foreign distilled spirits are not liable to the tax imposed under the internal-revenue laws when forfeited to the Government under the provisions of the customs laws.—(Internal-Revenue Record, volume 24, page 393.)

DISTILLATION OF BRANDY FROM APPLES, PEACHES, OR GRAPES EXCLUSIVELY.

The fruit-distilleries will require a large share of the attention of collectors. They are many in number, and often located in remote portions of the district; but the law requires that they shall be registered and surveyed in the same manner as other distilleries, and that the distiller shall make a monthly return. As the assessments against this class of distillers depend almost wholly on the return made of time operated, agents will observe that it is of the utmost importance that these distilleries be closely watched. It often happens that where a fruit-distiller has two stills in his distillery he only uses one of such stills. In such cases the distiller should register one of his stills as not for use, and make application on Form 143 for reduction of capacity, as otherwise the assessment would be made on the entire capacity of the distillery, which, in the case of a fruit-distillery, is computed on the capacity of the stills, without reference to the fermenting capacity.

A book, No. 46, has been prescribed for the use of collectors as a record of fruit-distilleries.—(See Circular Letter No. 54, March 20, 1879.)

This book is similar to No. 45, prescribed as a record of grain-distilleries, and should be consulted by agents and officers before visiting fruit-distilleries. The record contained therein may be utilized, as indicated in remarks on preceding page, in relation to the examination of grain-distilleries.

It has been prescribed that stills used for the distillation of apples, peaches, and grapes be stamped with a number.—(See Circular 209, dated June 21, 1879.)

EXEMPTIONS OF FRUIT-DISTILLERS.

Under the provisions of section 3255, Revised Statutes, the Commissioner of Internal Revenue is authorized, with the approval of the Secretary of the Treasury, to exempt distillers of brandy made exclusively from apples, peaches, or grapes, from certain requirements of law relating to the manufacture of spirits; and, therefore, by virtue of said

authority, and with the approval of the Secretary of the Treasury, the Commissioner has exempted all distillers of brandy from apples, peaches, or grapes, exclusively, from the following provisions of said law, to wit:

From all the provisions of sections 3262, 3263, 3269, 3271, 3273, 3275, 3279, 3284, 3294, 3302, 3310, 3318, and from portions of the following-named sections, to wit:

So much of section 3259, Revised Statutes, as requires the distiller to state in his notice the number of mash-tubs and fermenting-tubs and the cubic contents of each tub, the number of receiving-cisterns and the cubic contents of each cistern, and the number of hours in which the distiller will ferment each tub of mash or beer. So much of section 3266, Revised Statutes, as provides that no person shall use any still, boiler, or other vessel for the purpose of distilling, in any shed, yard, or enclosure connected with any dwelling-house. From all of sections 3285, 3303, 3305, and 3307, Revised Statutes, except so much thereof as provides for the keeping of a book or books in the manner to be prescribed by the Commissioner of Internal Revenue, the preservation of such book or books for the inspection of revenue officers, and the penalties pertaining thereto, and the making of returns: *Provided, however*, That the manner of making such returns shall be as prescribed in the regulations. So much of section 3264, Revised Statutes, as provides that forty-five or sixty gallons of mash or beer brewed or fermented from grain shall represent not less than one bushel of grain, and seven gallons of mash or beer, brewed or fermented from molasses, shall represent not less than one gallon of molasses.

From all of the provisions of sections 3287 and 3293, Revised Statutes, except so much thereof as requires that all distilled spirits shall be drawn into casks, and shall be gauged, proved, and marked by a United States gauger, by cutting on the cask containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity in wine-gallons and in proof-gallons of the contents of such cask, and the serial number of the package, in progressive order.

From so much of section 3295, Revised Statutes, as pro-

vides for the receiving of an order from the collector for the removal of spirits from distillery warehouse; and from so much thereof as requires that the affixing of the tax-paid stamp, and the cutting or burning of the serial number of the stamp, shall be done by the gauger.

From so much of section 3244, Revised Statutes, as requires that spirits purified or refined in the original course of manufacture must be by continuous distillation through continuous closed vessels and pipes until the manufacture thereof is complete.

Distillation from the aforesaid fruits, or from the undistilled products of either or all of these fruits, exclusively, is regarded as a distillation from the fruit.

REGULATIONS AS TO FRUIT-DISTILLERS.

Every still in the possession of any fruit-distiller must be registered either as being for use or not for use. An omission to so register incurs a penalty of five hundred dollars.

Every person having a still so registered for use must give notice to the collector of his intention to distil as required on Form 27½. He must also designate in said notice the building or place on his premises where he will keep the brandy distilled by him until the tax is paid thereon.

All stills used for the production of spirits by fruit-distillers must be surveyed as required by section 3264 of the Revised Statutes as amended March 1, 1879. Attention is called to the instructions for making surveys of fruit-stills laid down in Series 7, No. 7, pages 96 to 99, inclusive.

Fruit-distillers must, before the commencement of distillation, execute a bond to be approved by the collector of the district.

BOOK OF FRUIT-DISTILLERS.

(Sections 3303, 3304, 3305, and 3307, Revised Statutes.) Every distiller from apples, peaches, or grapes exclusively must provide himself with a book in accordance with Form No. 25½, revised and prescribed by the Com-

missioner of Internal Revenue, in which he shall, from day to day, make, or cause to be made, true and exact entry of the kind and quantity of material purchased or received, and the name and residence of the person from whom purchased or received, and shall also make, or cause to be made, a true and exact entry of the hours between which the still is operated each day; the kind, quantity, and condition of the fruits used; the number of times each still has been boiled off during each day, and the quantity of singlings and of brandy produced thereby; which book must be always kept open to the inspection of any revenue officer, and when filled up shall be preserved by the distiller for the period of not less than two years thereafter, and whenever required shall be produced for the inspection of any revenue officer. Severe penalties are provided in the law for making false entry in such book, or for omitting to make the entries required, with intent to defraud or conceal, &c.

Distillers are at liberty to procure the book in any way they see fit. All the foregoing requirements must be complied with by the distiller before the collector can approve his bond, and the distiller must not commence work at his distillery before the bond is approved.

GAUGING FOR FRUIT-DISTILLERS.

On or before the 25th day of each month the distiller shall notify the collector of his district, stating the probable number of packages of brandy that will be distilled by him within the month, and probable number of wine-gallons, with his request to have the same gauged and marked; and on the receipt of such notice, and after the last day of the month, the collector of the district shall cause the brandy produced during the month to be gauged, proved, and marked, as hereinafter directed, by a United States gauger, who, upon order of the collector, shall proceed at once to gauge, prove, and mark each cask of such spirits as he may find at the distillery or designated place of deposit; and shall cut upon the bung-stave of each cask the wine-gallons, the proof, and the proof-gallons; and shall cut or burn on the head of each cask the

name of such distiller, the district, the serial number of the cask, and kind of spirits; and shall mark thereon the date of such gauge and the name of the gauger by whom made, placing such date and name on the head of the cask in such way as to admit of the attaching of the tax-paid stamp between the same.

FRUIT-DISTILLER'S SPIRITS NOT TO BE REMOVED UNTIL TAX-STAMPS ARE AFFIXED.

On completing the process of distillation, the distiller must draw the brandy distilled by him into casks, each of not less contents than ten gallons, wine-measure, and must retain the same at the designated place of deposit at the distillery until the tax is paid thereon, and the tax-stamps affixed thereto.

PAYMENT OF TAX BY FRUIT-DISTILLERS.

On or before the tenth day of each month, and at the time of making the return for the preceding month, the tax must be paid upon all spirits gauged during the period for which such return is or should have been made; and in default of payment within four months from such tenth day of the month the collector shall report the amount of such tax, on Form 23, to the Commissioner of Internal Revenue, who will enter the same upon an assessment-list, and transmit it to the collector for collection.

Under the provisions of an act approved March 3, 1877, brandy made from grapes may be removed in bond to a special bonded warehouse without payment of the tax.—(See Supplement No. 3 to Series 6, No. 7.)

The brandy, when put up, marked, and stamped, as hereinbefore required, may be disposed of by the distiller under the authority of the fourth paragraph of section 3244, Revised Statutes, as amended, by sale or otherwise, at the place of manufacture, in the original casks or packages to which the tax-stamps are affixed. Distillers desiring to retain the brandy for their own consumption must put it up, mark it, and stamp it, the same as if intended for sale. Under these regulations it is permissible

that a distiller legally authorized may receive either of the fruits named or the undistilled products thereof from another person for the purpose of distillation, returning to that other person all or a part of the brandy produced therefrom; but in such case the Government recognizes no person in the transaction but the distiller, and the brandy, when distilled, must be put up, marked, and stamped, the same as if distilled by the distiller from his own fruits, and for his own consumption or sale. Distillers cannot dispose of the brandy distilled by them in any other than the tax-stamped packages, nor at any other place than the place of manufacture.

EXAMINATION OF FRUIT-DISTILLERIES.

When it is suspected that a fruit-distiller has not reported all the spirits actually produced by him, the agent should at once take measures to discover whether or not such is the fact. For this purpose, he should ascertain the kind, quantity, and quality of materials used. Examination should be made to see if he has entered upon his book all the fruit actually delivered to him for the purpose of distillation. Inquiries should be made to determine if the number of hours in which he has operated his still each day and night has been correctly reported. His premises should also be carefully examined for spirits which may be concealed.

Deputy collectors are expected to visit the fruit-distillers in their respective divisions, during the distilling season, as often as once a month. Agents will report any dereliction of duty which they may discover on the part of deputies in this respect.

REGULATIONS FOR WITHDRAWAL OF ALCOHOL FROM BOND FOR SCIENTIFIC PURPOSES.

Section 3297 of the Revised Statutes, as amended by act of May 3, 1878, provides that the Secretary of the Treasury is authorized to grant permits to scientific institutions or colleges of learning to withdraw alcohol in specified quantities from bond without payment of the inter-

nal-revenue tax on the same, or on the spirits from which the alcohol has been distilled, for the sole purpose of preserving specimens of anatomy, physiology, or natural history belonging to such institution, or for use in its chemical laboratory.

Alcohol may be withdrawn from bond under the above provisions of law, on application of the president or curator of the institution in which the same is to be used to the Secretary of the Treasury, transmitted through the collector of internal revenue of the district in which the alcohol is located.

For full instructions in regard to this subject, see Series 7, No. 7, pages 43 to 48 inclusive, and Appendix No. 2 to the same.

REGULATIONS RELATING TO THE EXPORTATION OF DISTILLED SPIRITS.

Under the act of June 9, 1874, entitled "An act to facilitate the exportation of distilled spirits, and amendatory to section 3330, Revised Statutes," as amended by section 10 of the act of March 1, 1879, distilled spirits may be withdrawn from distillery bonded warehouse at the instance of the owner of the spirits for exportation in quantities not less than one thousand (1,000) gallons, without the payment of tax.

When the owner of distilled spirits desires to remove the same from a distillery warehouse for exportation under a transportation-bond, he will give notice of his intention to the collector of the district in which the distillery warehouse containing the spirits is situated, who will thereupon detail a gauger and deliver to him an order (Form AA) in triplicate to inspect and gauge the spirits, and affix to each package the proper export-stamp.

The gauger will carefully and thoroughly inspect each package, ascertaining the actual wantage, proof, and contents, without reference to the marks on the casks. He will report the date of the production of the spirits and the amount contained in the packages when entered into warehouse. In every case he will see that the export-stamp is affixed to each package and properly cancelled

before the stamps are withdrawn; he will also mark and brand each package as hereinbefore directed.

The gauger, upon compliance with the order of the collector, and having made certificate of his inspection on each copy of the order, (accompanied by a detailed statement on Form 59,) will deliver the same to the applicant, who will endorse upon them his entry of withdrawal for transportation.

Upon the receipt of the entry, and payment of the tax on the deficiency, if any there be, between the contents, as shown by the marks and brands on the packages, and the contents reported by the gauger on Form AA, the collector will require the applicant to execute and deliver to him a transportation-bond, (Form BB, prescribed April 25, 1879, in duplicate, with at least two good and sufficient sureties, in a penal sum equal to double the amount of the tax on the spirits to be exported.

Sureties will be required to justify on Form 33, and will state the value of their property and the amount of their liability as surety on other bonds. In cases where parties are liable as surety to the full value of the property owned by them, collectors will refuse to accept them as sureties on new bonds until they are released from responsibility by the cancellation of old bonds.

The owner will be allowed to transport the spirits by the conveyance, and over the route or routes designated in his entry, and will be required to obtain and deliver to the collector three bills of lading, which must in every case be through-bills of lading, and bind each railroad or other transportation company, and the owner or proprietor of each vessel or other conveyance transporting said spirits, while in their custody, and being transported by them from the place of shipment to the port of entry.

Three bills of lading are required for the use of the Government—one to be filed in the office of the collector of internal revenue, one to be sent to the collector of customs to whom the goods are consigned, and the other to be sent to the Commissioner of Internal Revenue. The shipper can have additional copies for his own use if he desires.

Upon withdrawal of the spirits, one copy of the bond,

together with the affidavits of the sureties, on Form 33, entry for withdrawal, Form AA, and bill of lading, Form CC, will be immediately forwarded to the Commissioner of Internal Revenue. A copy of Forms AA and CC will be forwarded to the collector of customs to whom the spirits are consigned.

On arrival of the spirits at the port of entry, the exporter or owner at that port shall forthwith report the fact to the collector of customs, who will immediately (as when notice is received by him from a person intending to export spirits for the benefit of drawback) detail an inspector to take charge of the merchandise and supervise the lading of the same on board the foreign-bound vessel. He will also detail a gauger to inspect, gauge, mark, and brand the spirits, to cut out a portion of each export-stamp, and to obliterate and destroy the warehouse-stamps and the remaining portion of the export-stamps affixed to the packages.

If, on arrival of the spirits at the port of entry, the vessel from any cause be not prepared to receive the same, they shall be treated as unclaimed goods, and delivered by the transportation company, under the direction and supervision of the collector of customs, into bonded warehouse or stores provided for the reception of such goods, to be kept in the same manner as provided by law for that class of merchandise, at the risk and expense of the owner, which expense shall be a charge on the spirits.

The customs gauger will make a thorough and complete inspection of each package, ascertaining, without reference to the marks or stamps thereon, the capacity of each cask in wine-gallons, and the contents thereof in wine-gallons, proof-gallons and taxable gallons. He will make a detailed report of such inspection in triplicate.

The export-entry having been filed, the collector of customs will require the exporter to execute and deliver to him an export-bond with at least two good and sufficient sureties, in a penal sum equal to double the amount of the tax. Such sureties will be required to justify on Form 33, in an amount equal to the penal sum named in the bond.

The export-bond having been duly executed and delivered to the collector of customs, he will direct an offi-

cer to superintend the lading of the spirits on board the foreign-bound vessel.

The customs officers will take every precaution to guard against any change of package, or the abstraction of any part of the contents thereof, while the same are in their custody.

Immediately upon the clearance of the vessel, the collector of customs will forward one copy of the clearance-certificate, Form FF, prescribed April 25, 1879, together with the copy of the gauger's report to which the pieces of stamp are affixed, to the Commissioner of Internal Revenue, and one copy, together with a detailed report of the customs gauger, to the collector of internal revenue of the district from which the spirits were shipped.

Upon receipt of the clearance-certificate and detailed report of the gauger, and payment of the tax on the deficiency, if any, the collector of internal revenue will cancel the transportation-bond.

The collector of customs will require the exporter to produce the proper evidence of the landing of the spirits at a foreign port, within the time named in the bond, unless an extension of time is granted.

In all cases of failure to produce the proper evidence within the stipulated time, the collector of customs will place the export-bond covering the spirits in the hands of the United States district attorney for suit, taking his receipt therefor in duplicate, and forward one copy to the Commissioner of Internal Revenue.

Exportation is not regarded as complete unless, as in case of spirits shipped under former regulations, the merchandise is landed at a foreign port.

CHANGE OF PACKAGE FOR EXPORT.

Whenever a distiller of spirits in bond shall desire to change the packages containing the same in order to export them, he will forward through the collector of the district in which his warehouse is situated a request to the Commissioner of Internal Revenue for permission to make the desired change, setting forth in his request, which must be sworn to, the facts which render such change

necessary. The application will be forwarded to the Commissioner by the collector, with his report as to the facts in the case, and with his recommendation as to the propriety of granting the request. If the Commissioner is satisfied that the desired change of packages should be permitted, he will issue a permit to the distiller to that effect; and the distiller will forward the permit to the collector at the time of filing his notice of intention to export, as required on page 3, Series 6, No. 7, Supplement No. 1, and page 4, Series 6, No. 7, Supplement No. 2. And such change of packages will be made, and the spirits in the new casks again inspected and gauged, the casks marked and cut or branded, as required in the case of change of packages to prevent leakage or wastage, on page 73, Series 7, No. 7. And the gauger in his report, Form A, or Form AA, as the case may be, will state in the first part thereof the contents of the original packages, as shown by the marks and brands thereon, giving the serial numbers of such packages and the number of the warehouse-stamps affixed thereto; and he will state in the second part of his report the number of new packages, the marks thereon, the serial numbers thereof, and the contents thereof as ascertained upon the regauge. And in the entry of withdrawal, and in the bond, the spirits will be described as in the second part of the gauger's report. The export-stamps and the brand will be affixed to the new packages; and the existing regulations governing the exportation of spirits in original packages, modified as hereinbefore specified, are made applicable to such new packages.

Exportation is not regarded as complete unless, as in case of spirits shipped under former regulations, the merchandise is landed at a foreign port.

For further detailed regulations and instructions relating to the exportation of distilled spirits, see Series 6, No. 7, Supplements Nos. 1 and 2, and Series 7, No. 7, Supplement No. 2, and Department Circular No. 4, Secretary's Office, January 12, 1877.

For regulations for the allowance of drawback of internal-revenue tax on distilled spirits exported, see Series 7, No. 7, pages 103 to 114, inclusive.

For regulations relating to the abatement or refunding of taxes on distilled spirits in bond, destroyed by casualty, see Series 7, No. 7, pages 114 to 116, inclusive.

TRANSFER OF ALCOHOL FROM DISTILLERY WAREHOUSE TO MANUFACTURING WAREHOUSE.

Section 20 of the act of March 1, 1879, provides—

"That under such regulations and requirements as to stamps, bonds, and other security as shall be prescribed by the Commissioner of Internal Revenue, any manufacturer of perfumery, medicines, or preparations for export, manufacturing the same in a duly-constituted manufacturing warehouse, shall be authorized to withdraw, in original packages from any distillery warehouse, so much alcohol as he may require for the said purpose, without the payment of the internal-revenue tax thereon."

The manufacturing warehouses to which alcohol may be transferred under authority conferred by said section 20 are those established under section 3433, Revised Statutes.

When a manufacturer of perfumery, medicines, or preparations for export desires to remove alcohol from a distillery-warehouse, he can do so upon giving notice of his intention to the collector of the district in which such warehouse is situated, and complying with the regulations prescribed by the Commissioner governing such removal. Upon the receipt of the manufacturers' notice, the collector will issue to the gauger an order in triplicate to inspect and gauge the alcohol, and to affix to each package an *export-stamp*. The gauger must gauge each package and make a report to the collector and a detailed statement on Form 59.

When withdrawn from the warehouse, the gauger must cut with a die, or burn upon each cask, the name of the distiller, the district, the date of withdrawal, the number of proof-gallons then ascertained, the number of the export-stamp, and the name of the port to which the alcohol is consigned for deposit in a manufacturing warehouse. The manufacturer will then make his entry of withdrawal upon the gauger's report.

At the time of filing the entry for withdrawal, the ap-

plicant (the manufacturer) must pay to the collector ten cents for each package to be stamped, and execute his transportation-bond in duplicate. Upon the execution of the transportation-bond, the collector will issue his permit to withdraw the alcohol, and to transport the same from the place of shipment to the port in which the manufacturing warehouse is situated.

On the arrival of the alcohol at the port named, the manufacturer must forthwith report the fact to the collector of customs, who will detail an inspector to take charge of the alcohol, and to supervise the delivery of the same into the manufacturing warehouse. He will also detail a customs gauger to inspect the alcohol, who must cut out a piece of each export-stamp, and destroy the remaining portion of the stamp, and all warehouse-stamps affixed to the packages. The manufacturer will then be required to execute and deliver to the collector of customs a bond conditioned that the spirits deposited shall be used in the manufacture of the articles specified in section 3433 of the Revised Statutes intended for export, and for no other purpose, and that the articles manufactured shall be exported within three years from the date of the reception of such alcohol into the warehouse from which it was withdrawn.

As soon as the aforesaid bond has been executed and delivered to the collector of customs, he will issue a certificate stating that the alcohol described therein has been duly inspected and gauged and deposited in the manufacturing warehouse, and that the required bond has been executed and filed in his office. He will transmit one copy of the certificate, together with the original and duplicate reports of the customs gaugers, to the collector of internal revenue of the district from which the alcohol was withdrawn. He will also transmit one copy of the certificate with the triplicate report of the customs gauger, with the pieces of stamps affixed thereto, to the Commissioner of Internal Revenue.

For full instructions in relation to the transfer of alcohol from warehouse for manufacturing purposes, see Series 7, No. 7, Supplement No. 2, pages 31 to 37, inclusive.

REGULATIONS CONCERNING VINEGAR-FACTORIES ESTABLISHED AND OPERATED PRIOR TO MARCH 1, 1879.

By an act approved June 14, 1879, enacted while this Manual was going through the press, it is provided:

"That any vinegar factory for the manufacture of vinegar, established and operated as a vinegar factory prior to March first, eighteen hundred and seventy-nine, may be operated for the manufacture of vinegar by the use of alcoholic vapor within such distance less than six hundred feet of any distillery or rectifying-house under such regulations as the Commissioner of Internal Revenue may prescribe with the approval of the Secretary of the Treasury."

In accordance with this provision, it has been prescribed (see Circulars Nos. 211 and 213) that any person desiring to operate a vinegar-factory for the manufacture of vinegar by the use of alcoholic vapor, which factory was established and operated as a vinegar-factory prior to March 1, 1879, and is now situated within less than six hundred feet of a distillery or rectifying-house, may make application for that purpose to the collector of his district, setting forth when said factory was established, and for how long a period previous to March 1, 1879, it was actually used and occupied for the manufacture of vinegar, and the distance between the premises and the premises occupied by the nearest distiller or rectifier. The collector shall thereupon verify the facts stated in said application, and forward it to this Office with his certificate.

Upon receipt thereof, if the fact of operation before March 1, 1879, be clearly proven, the collector will be notified to permit such factory to be operated by the use of alcoholic vapor within any distance from a distillery or rectifying-house not less than two hundred feet in a direct line, provided there be no means of communication between the different premises other than upon and over a public street or highway.

Such vinegar-factory must comply in all respects with regulations contained in Supplement No. 2 to Series 7, No. 7, and with any and all regulations hereafter prescribed. The regulations printed on pages 81 to 83 of this

Manual are therefore modified in accordance with the above.

OFFENCES AND PENALTIES.

The following penalties are imposed by statute for violations of law relative to distilled spirits:

Adding substances to create fictitious proof.—(Sec. 3252, R. S.)

"Every person who adds or causes to be added any ingredient or substance to any distilled spirits before the tax is paid thereon, for the purpose of creating a fictitious proof, shall be fined not less than one hundred dollars nor more than one thousand dollars for each cask or package so adulterated, and imprisoned not less than three months nor more than two years; and every such cask or package, with its contents, shall be forfeited to the United States."

Evading tax on distilled spirits.—(Sec. 3256, R. S.)

"Whenever any person evades, or attempts to evade, the payment of the tax on any distilled spirits, in any manner whatever, he shall forfeit and pay double the amount of the tax so evaded or attempted to be evaded."

Distiller defrauding or attempting to defraud United States of tax on spirits.—(Sec. 3257, R. S.)

"Shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than three years." (See, also, Forfeitures.)

Not registering stills, or distillery apparatus, set up.—(Sec. 3258, R. S.)

"And every person having in his possession or custody, or under his control, any still or distilling apparatus set up which is not so registered, shall pay a penalty of five hundred dollars, and shall be fined not less than one hundred dollars, nor more than one thousand dollars, and im-

prisoned for not less than one month, nor more than two years." (See, also, Forfeitures.)

Failing or refusing to give notice of intention to carry on business of distiller or rectifier, or giving false or fraudulent notice.—(Sec. 3259, R. S.)

"Every person who fails or refuses to give such notice shall pay a penalty of one thousand dollars, and shall be fined not less than one hundred dollars nor more than two thousand dollars; and every person who gives a false or fraudulent notice shall, in addition to such penalty or fine, be imprisoned not less than six months nor more than two years."

Distiller failing or refusing to give bond, &c.—(Sec. 3260, R. S.)

"Every person who fails or refuses to give the bond hereinbefore required, or to renew the same, or who gives any false, forged, or fraudulent bond, * * * shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than two years." (See, also, Forfeitures.)

Collector approving bond of distiller before all the requirements of law, &c., have been complied with.—(Sec. 3261, R. S.)

"No collector shall approve the bond of any distiller until all the requirements of the law and all regulations made by the Commissioner of Internal Revenue in relation to distilleries, in pursuance thereof, have been complied with. Every collector who violates this provision shall forfeit and pay two thousand dollars, and be dismissed from office."

Setting up still, boiler, &c., without obtaining permit from the collector, or failing to give notice before removal from place of manufacture.—(Sec. 3265, R. S.)

"Shall pay in either case the sum of five hundred dollars." (See, also, Forfeitures.)

Using any still, boiler, &c., for the purpose of distilling on certain premises enumerated in Sec. 3266, R. S.

"And every person who does any of the acts prohibited by this section, or aids or assists therein, or causes or

procures the same to be done, shall be fined one thousand dollars and imprisoned for not less than six months, nor more than two years, in the discretion of the court, for each such offence."

Breaking, &c., locks or seals, gaining access to cistern, &c.—(Sec. 3268, R. S.)

"Every person who destroys, breaks, injures, or tampers with any lock or seal which may be placed on any cistern-room or building by the duly authorized officers of the revenue, or opens said lock or seal, or the door to said cistern-room or building, or in any manner gains access to the contents therein, in the absence of the proper officer, shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than one year nor more than three years."

Pipes not painted and kept painted according to law.—(Sec. 3269, R. S.)

"Whenever any fixed pipe is used by any distiller which is not painted or kept painted as herein directed, or which is painted otherwise than as herein directed, he shall forfeit the sum of one thousand dollars."

Failure of distiller to keep distillery accessible.—(Sec. 3275, R. S.)

"No fence or wall of a height greater than five feet shall be erected or maintained around the premises of any distillery, so as to prevent easy and immediate access to such distillery. And every distiller shall furnish to the collector of the district as many keys of the gates and doors of the distillery as may be required by the collector, from time to time, for any revenue officer or other person who may be authorized to make survey or inspection of the premises, or of the contents thereof; and said distillery shall be kept always accessible to any officer or other person having any such key. Every person who violates any of the foregoing provisions of this section by negligence or refusal, or otherwise, shall pay a penalty of five hundred dollars.

Hindering or obstructing officer in entering or examining distillery.—(Sec. 3276, R. S.)

* * * "And whenever any internal-revenue officer, or any person called by him to his aid, is hindered, obstructed, or prevented by any distiller or by any workman, or other person acting for such distiller or in his employ, from entering into any such distillery or building or place as aforesaid; or any such officer is by the distiller, or his workman, or any person in his employ, prevented or hindered from, or opposed, or obstructed, or molested in the performance of his duty under the internal-revenue laws, in any respect, the distiller shall forfeit the sum of one thousand dollars. And whenever any officer, having demanded admittance into a distillery or distillery premises, and having declared his name and office, is not admitted into such distillery or premises by the distiller or other person having charge thereof, it shall be lawful for such officer at all times, as well by night as by day, to break open by force any of the doors or windows, or to break through any of the walls of such distillery or premises necessary to be broken open or through, to enable him to enter the said distillery or premises; and the distiller shall forfeit the sum of one thousand dollars."

Distillers or rectifiers neglecting or refusing to furnish facilities for examination.—(Sec. 3277, R. S.)

"On the demand of any internal-revenue officer, every distiller or rectifier shall furnish strong, safe, and convenient ladders of sufficient length to enable the officer to examine and gauge any vessel or utensil in such distillery or premises; and shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all casks, barrels, and other vessels not under the control of the revenue officer in charge, under a penalty of five hundred dollars for every refusal or neglect so to do."

Distillers, rectifiers, and wholesale liquor-dealers violating provisions of law relative to signs.—(Sec. 3279, R. S.)

"Every person engaged in distilling or rectifying spirits, and every wholesale liquor-dealer, shall place and keep conspicuously on the outside of the place of such business a sign, exhibiting in plain and legible letters, not less than three inches in length, painted in oil-colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words 'registered distillery,' 'rectifier of spirits,' or 'wholesale liquor-dealer,' as the case may be. Every person who violates the foregoing provision by negligence or refusal, or otherwise, shall pay a penalty of five hundred dollars."

Persons unlawfully putting up signs as distillers, rectifiers, or wholesale liquor-dealers.—(Sec. 3279, R. S.)

"And every person, other than a rectifier or wholesale liquor-dealer who has paid the special tax, or a distiller who has given bond as required by law, who puts up or keeps up the sign required by this section, or any sign indicating that he may lawfully carry on the business of a distiller, rectifier, or wholesale liquor-dealer, shall forfeit and pay one thousand dollars, and shall be imprisoned not less than one month nor more than six months."

Persons working in a distillery, rectifying establishment, or a wholesale liquor-store with no sign, or receiving, carrying, conveying, or delivering distilled spirits or raw material to or from such places.—(Sec. 3279, R. S.)

"And every person who works in any distillery, rectifying establishment, or wholesale liquor-store, on which no sign is placed and kept, as hereinbefore provided; and every person who knowingly receives at, carries or conveys any distilled spirits to or from, any such distillery, rectifying establishment, warehouse, or store, or who knowingly carries and delivers any grain, molasses, or other raw material to any distillery on which such sign is not placed and kept, shall forfeit all horses, carts, drays, wagons, or other vehicle or animal used in carrying or

conveying such property aforesaid, and shall be fined not less than one hundred dollars, nor more than one thousand dollars, or be imprisoned not less than one month nor more than six months."

Carrying on the business of a distiller without having given bond, or engaging in, or carrying on the business of a distiller with intent to defraud the United States of the tax on spirits distilled by him.—(Sec. 16, Act Feb. 8, 1875; sec. 3281, Comp. of 1879.)

"Shall for every such offence, be fined not less than one hundred dollars nor more than five thousand dollars and imprisoned not less than thirty days nor more than two years." (See, also, Forfeitures.)

Making, or fermenting mash, wort, or wash fit for distillation except as authorized by law.—(Sec. 3282, R. S.)

"No mash, wort, or wash, fit for distillation or for the production of spirits or alcohol, shall be made or fermented in any building or on any premises other than a distillery duly authorized according to law; and no mash, wort, or wash so made and fermented shall be sold or removed from any distillery before being distilled; and no person, other than an authorized distiller, shall, by distillation, or by any other process, separate the alcoholic spirits from any fermented mash, wort, or wash; and no person shall use spirits or alcohol in manufacturing vinegar or any other article, or in any process of manufacture whatever, unless the spirits or alcohol so used shall have been produced in an authorized distillery and the tax thereon paid. Every person who violates any provision of this section shall be fined for each offence not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years: *Provided further*, That nothing in this section shall be construed to apply to fermented liquors, or to fermented liquids used for the manufacture of vinegar exclusively.—(See, also, amendment to this section made by act of March 1, 1879.)

No process for distilling between 11 *p. m. of Saturday and* 1 *a. m. of Monday.*—(Sec. 3283, R. S.)

"Every person who violates the provisions of this section shall be liable to a penalty of one thousand dollars."

Using material or removing spirits in absence of storekeeper.—(Sec. 3284, R. S.)

"Every distiller or person employed in any distillery who, in the absence of the storekeeper, or person designated to act as storekeeper, uses, or causes or permits to be used, any material for the purpose of making mash, wort, or beer, or for the production of spirits, or removes any spirits, shall forfeit and pay double the amount of taxes on the spirits so produced, distilled, or removed, and in addition thereto be liable to a penalty of one thousand dollars."

Distiller violating the provisions of law relative to drawing off water from worm-tub on requirement of officer.—(Sec. 3286, R. S.)

"Whenever any officer requires the water contained in any worm-tub in a distillery, at any time when the still is not at work, to be drawn off, and the tub and worm cleansed, the water shall forthwith be drawn off, and the tub and worm cleansed by the distiller, or his workmen, accordingly; and the water shall be kept and continued out of such worm-tub for the period of two hours, or until the officer has finished his examination thereof. For any refusal or neglect to comply with any provision of this section, the distiller shall forfeit the sum of not exceeding one thousand dollars; and it shall be lawful for the officer to draw off such water, or any portion of it, and to keep the same drawn off for so long a time as he shall think necessary."

Gauger employing certain other persons to use his brands or to discharge any of the duties imposed on him by law.—(Sec. 3290, R. S.)

"Whenever any gauger employs any owner, agent, or superintendent of any distillery or distillery warehouse,

or any person in the service of such owner, agent, or superintendent, or any rectifier or wholesale liquor-dealer, or any person in the service of such rectifier or wholesale liquor-dealer, to use his brands, or to discharge any of the duties imposed upon him by law, he shall, for each offence so committed, pay a fine not exceeding one thousand dollars, in the discretion of the court."

Gauger making false or fraudulent inspection, &c.—(Sec. 3292, R. S.)

"Every gauger who makes any false or fraudulent inspection, gauging, or proof shall pay a penalty of one thousand dollars, and be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than three years."

Removal of distilled spirits contrary to law; concealment, &c., of the same.—(Sec. 3296, R. S.)

"Whenever any person removes, or aids or abets in the removal of any distilled spirits on which the tax has not been paid, to a place other than the distillery warehouse provided by law, or conceals or aids in the concealment of any spirits so removed, or removes, or aids or abets in the removal of any distilled spirits from any distillery warehouse, or other warehouse for distilled spirits authorized by law, in any manner other than is provided by law, or conceals or aids in the concealment of any spirits so removed he shall be liable to a penalty of double the tax imposed on such distilled spirits so removed or concealed, and shall be fined not less than two hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than three years."

Using alcohol obtained for scientific purposes for other purposes than those mentioned in the law.—(Sec. 3297, R. S.)

"And if any alcohol so obtained is used by any officer, as aforesaid, of such institution for any purposes other than that above specified, then the said officer or sureties shall pay the tax on the whole amount of alcohol withdrawn from bond, together with a like amount as a penalty in addition thereto."

Violation of law relative to removal of distilled spirits by a storekeeper or other person having charge of a bonded warehouse.—(Sec. 3300, R. S.)

"Whenever any storekeeper, or other person in the employment of the United States, having charge of a bonded warehouse, removes or allows to be removed therefrom any cask or other package, without an order or permit of the collector, or which has not been marked or stamped in the manner required by law; or removes or allows to be removed any part of the contents of any cask or package deposited therein, he shall be immediately dismissed from office or employment, and be fined not less than five hundred dollars nor more than two thousand dollars, and imprisoned not less than three months nor more than two years."

Distiller making false entries, omitting to keep or produce books.—(Sec. 3305, R. S.) (See Forfeitures.)

* * * "And every person who makes such false entry, or omits to make any entry hereinbefore required to be made, with the intent aforesaid, or who causes or procures the same to be done, or fraudulently cancels, obliterates, or destroys any part of said books, or any entry therein, or wilfully fails to produce such books, or either of them, shall be fined not less than five hundred dollars, nor more than five thousand dollars, and imprisoned not less than six months nor more than two years."

Using false weights and measures.—(Sec. 3306, R. S.)

"Every person who knowingly uses any false weights or measures in ascertaining, weighing, or measuring the quantities of grain, meal, or vegetable materials, molasses, beer, or other substances to be used for distillation, shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than one year nor more than three years."

Using unregistered materials.—(Sec. 3306, R. S.)

* * * "Any person who uses any molasses, beer, or other substance, whether fermented on the premises or

elsewhere, for the purpose of producing spirits, before an account of the same is registered in the proper book provided for that purpose, shall forfeit and pay the sum of one thousand dollars for each offence so committed."

Distiller carrying on the business, &c., after giving a notice of suspension.—(Sec. 3310, R. S.)

Same penalty as for failure to give bond.—(See Sec. 3260, R. S.)

Breaking, injuring, tampering with, &c., any lock or seal applied to any furnace, &c.—(Sec. 3311, R. S.)

* * * "And every person who breaks, injures, or in any manner tampers with any lock, seal, or other fastening applied to any furnace, still, or fermenting-tub, or other vessel, in pursuance of the provisions of law, or who opens or attempts to open any door, tub, or other vessel, which is locked or sealed, or otherwise closed or fastened as herein provided, or who uses any furnace, still, or fermenting-tub, or other vessel, which is so locked, sealed, or fastened, shall be deemed guilty of a felony, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one year nor more than three years."

Revenue officer violating the law relative to affixing or cancelling any stamp relating to distilled spirits.—(Sec. 3316, R. S.)

Whenever any revenue officer affixes or cancels, or causes or permits to be affixed or cancelled, any stamp relating to distilled spirits provided for by law, in any other manner or in any other place, or issues the same to any other person than as provided by law, or by regulation made in pursuance thereof, or knowingly affixes, or permits to be affixed, any such stamp to any cask or package of spirits of which the whole or any part has been distilled, rectified, compounded, removed, or sold, in violation of law, or which has in any manner escaped payment of tax due thereon, he shall, for every such offence, be fined not less than five hundred dollars nor more than three thou-

sand dollars, and be imprisoned for not less than six months nor more than three years.

Rectifier and wholesale liquor-dealer failing to comply with law relative to keeping books.—(Sec. 3318, R. S.)

* * * "And whenever any rectifier or wholesale liquor-dealer refuses or neglects to provide such book, or to make entries therein as aforesaid, or cancels, alters, obliterates, or destroys any part of such book, or any entry therein, or makes any false entry therein, or hinders or obstructs any revenue officer from examining such book, or making any entry therein, or taking any abstract therefrom; or whenever such book is not preserved or is not produced by any rectifier or wholesale liquor-dealer as hereinbefore directed, he shall pay a penalty of one hundred dollars, and shall on conviction be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than three years."

Rectifier and wholesale liquor-dealer failing to make transcripts of books.—(Sec. 3318, R. S., as amended.)

"Any failure, by reason of refusal or neglect, to make such transcripts shall subject the person so offending to a fine of one hundred dollars for each neglect or refusal."

Purchase of quantities greater than twenty gallons from other than an authorized rectifier, wholesale liquor-dealer, or distiller.—(Sec. 3319, R. S.)

"It shall not be lawful for any rectifier of distilled spirits, or wholesale or retail liquor-dealer, to purchase or receive any distilled spirits in quantities greater than twenty gallons from any person other than an authorized rectifier of distilled spirits, distiller, or wholesale liquor-dealer. Every person who violates this section shall forfeit and pay one thousand dollars: *Provided*, That this provision shall not be held to apply to judicial sales, or to sales at public auction made by an auctioneer." [*The exception made in the proviso to this section is extended to certain other sales by section* 4, *act March* 1, 1879.]

Not effacing stamps, marks, and brands at the time of emptying cask; removing stamps without destroying or defacing the same, having such stamps in possession, &c.—(Sec. 3324, R. S.)

"Every person who fails to efface and obliterate said mark, stamp, or brand, at the time of emptying such cask or package, or who receives any such cask or package, or any part thereof, with the intent aforesaid, or who transports the same, or knowingly aids or assists therein, or who removes any stamp provided by law from any cask or package containing, or which had contained, distilled spirits, without defacing and destroying the same at the time of such removal, or who aids or assists therein, or who has in his possession any such stamp so removed as aforesaid, or has in his possession any cancelled stamp, or any stamp which has been used, or which purports to have been used, upon any cask or package of distilled spirits, shall be deemed guilty of a felony, and shall be fined not less than five hundred dollars nor more than ten thousand dollars, and imprisoned not less than one year nor more than five years." (See, also, Forfeitures.)

Buying or selling spirit-casks having inspection-marks thereon.—(Sec. 3325, R. S.)

"Whenever any person knowingly purchases or sells, with inspection marks thereon, any cask or package, after the same has been used for distilled spirits, he shall forfeit and pay the sum of two hundred dollars for every such cask so purchased or sold."

Altering or changing stamps, marks, or brands; fraudulent use of cask or packages, &c.—(Sec. 3326, R. S.)

"Whenever any person changes or alters any stamp, mark, or brand on any cask or package containing distilled spirits, or puts into any cask or package spirits of greater strength than is indicated by the inspection-mark thereon, or fraudulently uses any cask or package having any inspection-mark or stamp thereon, for the purpose of selling other spirits, or spirits of quantity or quality different from the spirits previously inspected therein, he

shall forfeit and pay the sum of two hundred dollars for every cask or package on which the stamp or mark is so changed or altered, or which is so fraudulently used, and shall be fined for each such offence not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than one month nor more than one year."

Removal of distilled spirits after sunset and before sunrise. (Sec. 3327, R. S.)

"No person shall remove any distilled spirits at any other time than after sunrising and before sunsetting in any cask or package containing more than ten gallons from any premises or building in which the same may have been distilled, redistilled, rectified, compounded, manufactured, or stored; and every person who violates this provision shall be liable to a penalty of one hundred dollars for each cask, barrel, or package of spirits so removed; and said spirits, together with any vessel containing the same, and any horse, cart, boat, or other conveyance used in the removal thereof, shall be forfeited to the United States."

Fraudulently claiming allowance of drawback on distilled spirits; fraudulent change in spirits shipped.—(Sec. 3330, R. S.)

* * * "And every person who fraudulently claims, or seeks, or obtains an allowance of drawback on any distilled spirits, or fraudulently claims any greater allowance or drawback than the tax actually paid thereon, shall forfeit and pay to the Government of the United States triple the amount wrongfully and fraudulently sought to be obtained, and shall be imprisoned not more than ten years; and every owner, agent, or master of any vessel or other person who knowingly aids or abets in the fraudulent collection or fraudulent attempts to collect any drawback upon, or knowingly aids or permits any fraudulent change in the spirits so shipped, shall be fined not exceeding five thousand dollars and imprisoned not more than one year, and the ship or vessel on board of which such shipment was made or pretended to be made shall be for-

feited to the United States, whether a conviction of the master or owner be had or otherwise, and proceedings may be had in admiralty by libel for such forfeiture."

Relanding within the jurisdiction of the United States distilled spirits shipped for exportation under the internal-revenue laws.—(Sec. 3330, R. S.)

* * * "Every person who intentionally relands within the jurisdiction of the United States any distilled spirits which have been shipped for exportation under the provisions of this act, or who receives such relanded distilled spirits, and every person who aids or abets in such relanding or receiving of such spirits, shall be fined not exceeding five thousand dollars, and imprisoned not more than three years." * * * (See, also, Forfeitures.)

Violating the law relative to fruit-brandy.—(Sec. 11, Act March 3, 1877.)

"That in case any grape-brandy removed from the distillery for deposit in a special warehouse, shall fail to be deposited in such warehouse within ten days thereafter, or within the time specified in any bond given on such removal, or if any grape-brandy deposited in any special warehouse shall be taken therefrom for deposit in another warehouse, or for export, or otherwise, without full compliance with the provisions of this act, and with the requirements of any regulations made thereunder, and with the terms of any bond given on such removal, then any person who shall be guilty of such failure, and any person who shall in any manner violate any provisions of this act, or of the regulations made in pursuance thereof, shall be subject, on conviction to a fine of not less than one hundred dollars nor more than five thousand dollars, and to imprisonment for not less than three months nor more than three years, for every such failure or violation; and the spirits as to which such failure or violation shall take place shall be forfeited to the United States."

Violating the law relating to imported liquor-casks.—(Secs. 11 and 12, Act March 1, 1879.) (See Forfeitures.)

Affixing imitation stamp on package of distilled spirits.—(Sec. 17, Act Feb. 8, 1875; sec. 3316*a*, Comp. of 1879.)

"That if any person shall affix, or cause to be affixed to or upon any cask or package containing, or intended to contain, distilled spirits, any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token whether the same be designed as a trade-mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal-revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits, he shall, for each offence, be liable to a penalty of one hundred dollars, and, on conviction, shall be fined not more than one thousand dollars, and imprisoned not more than three years, and the cask or package with its contents shall be forfeited to the United States."

Rectifier commencing or continuing business without giving the bond required or failing to renew the same.—(Sec. 7, Act March 1, 1879; sec. 3259*a*, Comp. of 1879.)

"Any rectifier who, after the passage of this act, shall commence business without giving the bond required by this section, or who shall continue to carry on business, after demand made for such bond, without giving the same, or who shall fail to renew such bond when lawfully required, shall, on conviction, be fined not more than five thousand dollars."

Rectifier giving false, forged, or fraudulent bond.—(Sec. 7, Act March 1, 1879; sec. 3259*a*, Comp. of 1879.)

"And any rectifier who shall give any false, forged, or fraudulent bond shall, on conviction, be subject to the penalties provided for in section fifty-four hundred and eighteen of the Revised Statutes."

For other penalties, see "Penalties common to several objects of taxation."

FORFEITURES.

The following forfeitures are imposed by statute for violations of law relative to distilled spirits:

Distiller defrauding or attempting to defraud the United States of tax on spirits.—(Sec. 3257, R. S.)

"Shall forfeit the distillery and distilling apparatus used by him, and all distilled spirits and all raw materials for the production of distilled spirits found in the distillery and on the distillery premises."

Not registering stills or distilling apparatus set up.—(Sec. 3258, R. S.)

"Every still or distilling apparatus not so registered, together with all personal property in the possession or custody, or under the control of such person, and found in the building, or in any yard or enclosure connected with the building in which the same may be set up, shall be forfeited."

Distiller failing or refusing to give bond, &c.—(Sec. 3260, R. S.)

"Every person who fails or refuses to give the bond hereinbefore required, or to renew the same, or who gives any false, forged, or fraudulent bond, shall forfeit the distillery, distilling apparatus, and all real estate and premises connected therewith."

Setting up still, boiler, &c., without obtaining permit from the collector, or failing to give notice before removal from the place of manufacture.—(Sec. 3265, R. S.)

"Shall forfeit the distilling apparatus thus removed or set up in violation of law."

Receiving, carrying, conveying, or delivering distilled spirits to or from distillery, rectifying establishment, or wholesale liquor-dealer's store having no sign, or delivering raw material at such distillery.—(Sec. 3279, R. S.)

"Shall forfeit all horses, carts, drays, wagons, or other vehicle or animal used in carrying or conveying such property aforesaid."

Carrying on the business of a distiller without having given bond, or engaging in or carrying on the business of a distiller with intent to defraud the United States of the tax on spirits distilled by him; permitting or suffering any building, &c., to be used for egress or ingress to any fraudulent distillery.—(Sec. 16, Act Feb. 8, 1875, [sec. 3281,] Comp. of 1879.)

"And all distilled spirits or wines, and all stills or other apparatus, fit or intended to be used for the distillation or rectification of spirits, or for the compounding of liquors, owned by such person, wherever found, and all distilled spirits or wines and personal property found in the distillery or rectifying establishment, or in any building, room, yard, or enclosure connected therewith, and used with or constituting a part of the premises; and all the right, title, and interest of such person in the lot or tract of land on which such distillery is situated, and all right, title, and interest therein of every person who knowingly has suffered or permitted the business of a distiller to be there carried on, or has connived at the same; and all personal property owned by or in possession of any person who has permitted or suffered any building, yard, or enclosure, or any part thereof, to be used for purposes of ingress or egress to or from such distillery which shall be found in any such building, yard, or enclosure, and all the right, title, and interest of every person in any premises used for ingress or egress to or from such distillery, who has knowingly suffered or permitted such premises to be used for such ingress or egress, shall be forfeited to the United States."

Tax-paid spirits remaining on distillery premises.—(Sec. 3288, R. S.)

"No distilled spirits on which the tax has been paid shall be stored or allowed to remain on any distillery premises, under the penalty of a forfeiture of all spirits so found."

Packages of spirits not marked and stamped as required by law.—(Sec. 3289, R. S.)

"All distilled spirits found in any cask or package con-

taining five gallons or more, without having thereon each mark and stamp required therefor by law, shall be forfeited to the United States."

Spirits unlawfully removed from distillery or warehouse.—(Sec. 3299, R. S.)

"All distilled spirits found elsewhere than in a distillery or distilling warehouse, not having been removed therefrom according to law, shall be forfeited to the United States."

Distiller making false entries, omitting to keep or produce books.—(Sec. 3305, R. S.)

"Whenever any false entry is made in, or any entry required to be made is omitted from, either of the said books mentioned in the two preceding sections, with intent to defraud or to conceal from the revenue officers any fact or particular required to be stated and entered in either of said books, or to mislead in reference thereto; or any distiller as aforesaid omits or refuses to provide either of said books, or cancels, obliterates, or destroys any part of either of such books, or any entry therein, with intent to defraud, or permits the same to be done, or such books, or either of them, are not produced when required by any revenue officer, the distillery, distilling apparatus, and the lot or tract of land on which it stands, and all personal property on said premises used in the business there carried on, shall be forfeited to the United States."

Distiller carrying on the business, &c., after giving a notice of suspension.—(Sec. 3310, R. S.)

Same forfeiture as for failure to give bond.—(See Sec. 3260, R. S.)

Absence of mark and brand on packages of distilled spirits cause of forfeiture.—(Sec. 3323, R. S.)

"All distilled spirits drawn from any cask or package and placed in any other cask or package containing not less than ten gallons, and intended for sale, shall be again

inspected and gauged; and the cask or package into which it is so transferred shall be marked or branded, and such marking or branding shall distinctly indicate the name of the gauger, the time and place of inspection, the proof of the spirits, the particular name of such spirits as known to the trade, and the name and place of business of the dealer or rectifier, as the case may be; and, except where such spirits have been rectified or compounded, the name also of the distiller and the distillery where such spirits were produced, and the serial number of the original cask or package; and where such spirits have been rectified, the name of the rectifier, and the serial number of the rectifier's stamp; and the absence of such mark or brand shall be held as sufficient cause and evidence for the forfeiture of such unmarked packages of spirits."

Not effacing stamps, marks, and brands at the time of emptying casks.—(Sec. 3324, R. S.)

"Every person who empties or draws off, or causes to be emptied or drawn off, any distilled spirits from a cask or package bearing any mark, brand, or stamp required by law, shall, at the time of emptying such cask or package, efface and obliterate said mark, stamp, or brand. Every such cask or package from which said mark, brand, or stamp is not effaced and obliterated as herein required, shall be forfeited to the United States, and may be seized by any officer of internal revenue wherever found."

Railroad or transportation company transporting, &c., empty stamped cask.—(Sec. 3324, R. S.)

"And every railroad company or other transportation company, or person who receives or transports, or has in possession with intent to transport, or with intent to cause or procure to be transported, any such empty casks or package, or any part thereof, having thereon any brand, mark, or stamp, required by law to be placed on any cask or package containing distilled spirits, shall forfeit three hundred dollars for each such cask or package, or any part thereof, so received or transported, or had in posses-

sion with the intent aforesaid; and every boat, railroad car, cart, dray, wagon, or other vehicle, and all horses and other animals used in carrying or transporting the same, shall be forfeited to the United States."

Removal of distilled spirits after sunset and before sunrise.—(Sec. 3327, R. S.)

"No person shall remove any distilled spirits at any other time than after sunrising and before sunsetting in any cask or package containing more than ten gallons from any premises or building in which the same may have been distilled, redistilled, rectified, compounded, manufactured, or stored; and every person who violates this provision shall be liable to a penalty of one hundred dollars for each cask, barrel, or package of spirits so removed; and said spirits, together with any vessel containing the same, and any horse, cart, boat, or other conveyance used in the removal thereof, shall be forfeited to the United States."

Fraudulently claiming allowance of drawback on distilled spirits.—(Sec. 3330, R. S.)

"And every person who fraudulently claims, or seeks, or obtains an allowance of drawback on any distilled spirits, or fraudulently claims any greater allowance or drawback than the tax actually paid thereon, shall forfeit and pay to the Government of the United States triple the amount wrongfully and fraudulently sought to be obtained, and shall be imprisoned not more than ten years; and every owner, agent, or master of any vessel or other person who knowingly aids or abets in the fraudulent collection or fraudulently attempts to collect any drawback upon, or knowingly aids or permits any fraudulent change in the spirits so shipped, shall be fined not exceeding five thousand dollars and imprisoned not more than one year, and the ship or vessel on board of which such shipment was made or pretended to be made shall be forfeited to the United States, whether a conviction of the master or owner be had or otherwise, and proceedings may be had in admiralty by libel for such forfeiture."

Relanding within the jurisdiction of the United States distilled spirits shipped for exportation under internal-revenue laws.—(Sec. 3330, R. S.)

* * * "Every person who intentionally relands within the jurisdiction of the United States any distilled spirits which have been shipped for exportation under the provisions of this act, or who receives such relanded distilled spirits, and every person who aids or abets in such relanding or receiving of such spirits, shall be fined not exceeding five thousand dollars, and imprisoned not more than three years; and all distilled spirits so relanded, together with the vessel from which the same were relanded within the jurisdiction of the United States, and all boats, vehicles, horses, or other animals used in relanding and removing such distilled spirits, shall be forfeited to the United States."

Emptying or drawing off, &c., the contents of any package of imported liquor without complying with the law relating to the obliterating, &c., of marks, brands, and stamps.—(Sec. 12, Act March 1, 1879.)

"Every person who empties or draws off, or causes to be emptied or drawn off, the contents of any package of imported liquors stamped as above required, shall, at the time of such emptying, efface, obliterate, and destroy the stamp thereon, and also all other marks or brands which shall have been placed thereon in accordance with the law or regulations concerning imported liquors; and no cask or other package, such as is hereinbefore mentioned, in which distilled spirits, wines, or malt liquors have been imported, shall be used to contain domestic distilled spirits, under penalty of the forfeiture of such reused cask or package and the contents thereof. Every cask or other package from which the stamp for imported liquors required by this act to be placed thereon shall not be effaced, obliterated, or destroyed, on emptying such package, shall be forfeited, and the same may be seized by any officer of internal revenue wherever found; and all the provisions and penalties of section thirty-three hundred and twenty-four of the Revised Statutes of the United States, relating to empty casks or packages from which

the marks, brands, or stamps have not been effaced or obliterated, and relating to the removal of stamps from packages, and to having in possession any stamps so removed, shall apply to the stamps for imported spirits herein provided for, and to the casks or other packages on which such stamps shall have been used."

Making unlawful use, purchasing, selling, &c., cask or package once used to contain imported liquors, with stamps, &c., thereon; or manufacturing, &c., any imitation thereof.—(Sec. 13, Act March 1, 1879.)

"That if any person shall purchase or sell, with the imported-liquor stamp herein required remaining thereon, or any of the marks or brands which shall have been placed thereon in accordance with the laws or regulations concerning imported liquors remaining thereon, any cask or other package, after the same has been once used to contain imported liquors and has been emptied; or if any person shall use or have in possession such cask or package, with any imitation of such marks or brands, for the purpose of placing domestic distilled spirits therein for sale; or shall, for such purpose, manufacture, use, or have in possession any cask or package made in imitation of, or intended to be in the similitude of, such imported casks or packages, with any imitation of such marks or brands thereon, every such cask or package, with its contents, if any, shall be forfeited to the United States. And every such person who shall violate any of the provisions of this section shall be liable to a penalty of two hundred dollars for every such cask or package so purchased, sold, manufactured, used, or had in possession."

Affixing imitation stamp on package of distilled spirits.—(Sec. 17, Act Feb. 8, 1875; sec. 3316*a*, Comp. of 1879.)

"SEC. 17. That if any person shall affix, or cause to be affixed, to or upon any cask or package containing, or intended to contain, distilled spirits, any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token whether the same be designed as a trademark, caution notice, caution, or otherwise, and which

shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits, he shall, for each offence, be liable to a penalty of one hundred dollars, and, on conviction, shall be fined not more than one thousand dollars, and imprisoned not more than three years, and the cask or package with its contents shall be forfeited to the United States."

Violating the law or regulations relative to fruit-brandy.—(Sec. 11, Act March 3, 1877.)

"SEC. 11. That in case any grape-brandy removed from the distillery for deposit in a special warehouse, shall fail to be deposited in such warehouse within ten days thereafter, or within the time specified in any bond given on such removal, or if any grape-brandy deposited in any special warehouse shall be taken therefrom for deposit in another warehouse, or for export, or otherwise, without full compliance with the provisions of this act, and with the requirements of any regulations made thereunder, and with the terms of any bond given on such removal, then any person who shall be guilty of such failure, and any person who shall in any manner violate any provisions of this act, or of the regulations made in pursuance thereof, shall be subject, on conviction to a fine of not less than one hundred dollars nor more than five thousand dollars, and to imprisonment for not less than three months nor more than three years, for every such failure or violation; and the spirits as to which such failure or violation shall take place shall be forfeited to the United States."

For other forfeitures, see "Forfeitures common to several objects of taxation."

FERMENTED LIQUORS.

It will be observed that the tax on fermented liquors is to be collected upon the quantity brewed or manufactured and sold, or removed for consumption or sale, hence the tax must be paid upon all such liquors, and the stamps affixed to the packages before the same are removed from the brewery premises, except in case of removal to warehouse under permit, or of damaged beer, which may, under certain restrictions, be sold for manufacturing purposes.

The production and consumption of fermented liquors in this country is steadily increasing from year to year, and this product has already become one of the principal sources of revenue. Revenue agents must, therefore, make themselves familiar with the law and regulations governing the collection of this tax, and in order to determine whether the tax is faithfully collected, they must acquaint themselves with the method of brewing the different kinds of malt liquors, the construction and operation of a brewery, and the business habits and customs of brewers and dealers in fermented liquors.

Breweries should be visited as frequently as practicable, but at irregular intervals, and the operations at the same closely observed. The books should be carefully examined to ascertain the quantity of different kinds of liquors manufactured and removed, the materials received and used, the quantity of ale, beer, or porter on hand, and the number of stamps purchased, and the number used. If any doubt exists as to the truth of the record, a comparative examination of the stamp account with the records in the collector's office should be made. Investigation should also be made of shipments by railroad or other means of transportation, and of the sales to customers.

The account of materials purchased should be verified by examination of the bill or account of the dealers from whom purchases have been made.

The most common practice of avoiding this tax is by the reuse of stamps which are taken from packages put on tap by retail dealers. To discover this the wagons

used for delivering packages to customers should be watched, an account taken of the number and size of packages delivered each day for a stated period, and this account compared with the records at the brewery and collector's office. When any considerable discrepancy exists as to the quantity reported manufactured and removed as tax-paid or under permit, and the quantity that should be on the premises in vats or barrels which the brewer claims arises from errors in the record or wastage, this may be determined by testing the capacity of the brewery.

For this purpose the agents should observe the operations of the brewery in manufacturing the kind of liquor in question, commencing with the steeping, and following it through the process of boiling, cooling, and racking off, until it is deposited in the vats. He should satisfy himself as to the working capacity of the steeping-tub and the boiling-kettle, and the time required for boiling. Such a test will demonstrate the quantity which, under ordinary circumstances, should be produced. The quantity of malt actually used may also aid in determining the correctness of the reported product. It is believed that, from the average quality of malt used by brewers in this country, one barrel of lager-beer or common ale may be produced from two and a half bushels of malt. The yield per bushel of stock ales, or ales of an unusual strength, of course will be less. An allowance should be made for products of that kind.

Grape-sugar is now used by brewers to a considerable extent as a substitute for malt. This should be reported on Form 18, revised, as material other than malt used during the month. The quantity brought on to the premises should also be entered in the book of materials purchased.

Whenever the quantity reported as leakage or wastage is unusually large, agents should take measures to ascertain whether such report is correct, and should report the result of their investigation to the Commissioner and to the collector.

The reported leakage and wastage should embrace only that quantity of the product which is actually lost

by leakage or consumed by employés only. It should not include the loss by shrinkage during the process of brewing.

RATE OF TAX ON FERMENTED LIQUORS.

Section 3339, Revised Statutes, provides that "There shall be paid on all beer, lager-beer, ale, porter, and other similar fermented liquors, brewed or manufactured and sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, a tax of one dollar for every barrel containing not more than thirty-one gallons; and at a like rate for any other quantity or for any fractional part of a barrel. In estimating and computing such tax, the fractional parts of a barrel shall be halves, thirds, quarters, sixths, and eighths; and any fractional part of a barrel containing less than one-eighth shall be accounted one-eighth; more than one-eighth, and not more than one-sixth, shall be accounted one-sixth; more than one-sixth, and not more than one-fourth, shall be accounted one-fourth; more than one-fourth, and not more than one-third, shall be accounted one-third; more than one-third, and not more than one-half, shall be accounted one-half; more than one-half, and not more than one barrel, shall be accounted one barrel; and more than one barrel, and not more than sixty-three gallons, shall be accounted two barrels, or a hogshead.

"The said tax shall be paid by the owner, agent, or superintendent of the brewery or premises in which such fermented liquors are made, and in the manner and at the time hereinafter specified."

Section 21 of the act approved March 1, 1879, provides that the word "gallon," wherever used in the internal-revenue law, relating to beer, lager-beer, ale, porter, and other similar fermented liquors, shall be held and taken to mean a wine-gallon, the liquid measure containing two hundred and thirty-one cubic inches.

BREWER DEFINED.

Section 3244 provides that "Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer."

WEISS BEER.

Weiss beer is a fermented liquor produced from malt, or a substitute therefor, and hops, and is similar to beer, lager-beer, ale, and porter, named in the statute, differing materially only in the quantity of alcohol contained therein. It must therefore be considered as coming within the description of fermented liquors liable to taxation, under section 3339, and payment of such tax will be required, as provided in sections 3339, 3342, and 3348.

NOTICE OF INTENTION TO CARRY ON BUSINESS.

Section 3335 provides that "Every brewer shall, before commencing or continuing business, file with the collector, or proper deputy collector, of the district in which he designs to carry it on, a notice in writing, stating the name of the person, company, corporation, or firm, the names of the members of any such company or firm, the places of residence of such persons, a description of the premises on which the brewery is situated, and of his or their title thereto, and the name of the owner thereof."

SPECIAL TAXES.

At the time of filing the above notice, the brewer will pay the special tax required by law, which is one hundred dollars per annum where he manufactures five hundred barrels or more per year, and fifty dollars per annum where he manufactures less than five hundred barrels per year.

"Every person who sells, or offers for sale, malt liquors in less quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a

retail dealer in malt liquors," and shall pay a special tax of twenty dollars.

"Every person who sells, or offers for sale, malt liquors in quantities of not less than five gallons at one time, but who does not deal in spirituous liquors at wholesale, shall be regarded as a wholesale dealer in malt liquors," and shall pay a special tax of fifty dollars: "*Provided*, That no brewer shall be required to pay a special tax as a dealer by reason of selling in the original stamped packages, whether at the place of manufacture or elsewhere, malt liquors manufactured by him, or purchased and procured by him in his own casks or vessels, under the provisions of section thirty-three hundred and forty-nine of the Revised Statutes; but the quantity of malt liquors so purchased shall be included in calculating the liability to brewer's special tax of both the brewer who manufactures and sells the same and the brewer who purchases the same." Brewers are not required to pay the special tax of retail dealers in malt liquors for selling fermented liquors of their own manufacture in the original stamped eighth barrel package.—(Sec. 3244, Revised Statutes, clause 5, as amended by act March 1, 1879.)

BREWER'S BOND.

Every brewer, before commencing business, and on the first day of May in each succeeding year thereafter while he continues his business as brewer, must execute a bond to the United States in accordance with section 3336, Revised Statutes.

BREWER'S BOOKS.

Section 3337 provides that "Every person who owns or occupies any brewery, or premises used or intended to be used for the purpose of brewing or making such fermented liquors, or who has such premises under his control or superintendence, as agent for the owner or occupant, or has in his possession or custody any brewing materials, utensils, or apparatus, used or intended to be used on said premises in the manufacture of beer, lager-beer, ale, porter, or other similar fermented liquors, either

as owner, agent, or superintendent, shall, from day to day, enter, or cause to be entered, in a book to be kept by him for that purpose, the kind of such malt liquors, the estimated quantity produced in barrels, and the actual quantity sold or removed for consumption or sale in barrels or fractional parts of barrels. He shall also, from day to day, enter, or caused to be entered, in a separate book to be kept by him for that purpose, an account of all materials by him purchased for the purpose of producing such fermented liquors, including grain and malt. And he shall render to the collector, or the proper deputy collector, on or before the tenth day of each month, a true statement, in writing, in duplicate, taken from his books, of the estimated quantity in barrels of such malt liquors brewed, and the actual quantity sold or removed for consumption or sale during the preceding month; and shall verify, or caused to be verified, the said statement, and the facts therein set forth, by oath, to be taken before the collector of the district, or proper deputy collector, according to the form required by law. Said book shall be open at all times for the inspection of any collector, deputy collector, inspector, or revenue agent, who may take memorandums and transcripts therefrom."

Two books are required to be kept (section 3337) by every person engaged in brewing, as above described.

Form No. 104, revised, is recommended for the book for recording the quantities made, removed, or sold.

In a separate book is to be entered, from day to day, an account of all materials purchased by him for the purpose of producing fermented liquors, including grain and malt, in such form as shall be distinct and explicit, and convenient for reference.

The entries made in these books must, on or before the tenth day of each month, be verified by the oath or affirmation of the person or persons by whom such entries were made, which oath or affirmation must be written in the books respectively at the end of such entries, and be certified by the officer administering the same. And said books are required to be open at all times for the inspection of any collector, deputy collector, or revenue agent, who may take memoranda therefrom.

For verification of the book containing the entries of materials purchased, the same form is to be used as is given in Form 104, revised, except that for the words "malt liquors brewed and the actual quantity sold, and the actual quantity removed from," the words "material purchased for the purpose of producing fermented liquors in," should be substituted. And the owner, agent, or superintendent, when the entries are not made by himself, must further verify them in the manner shown by Form 104, revised.

Every brewer who sells fermented liquor at retail, besides affixing and cancelling the proper stamps on the vessels in which the same is contained, is required to keep an account of the quantity so sold by him, and of the number and size of the vessels in which the same may have been contained, and to make a report thereof, verified by oath, monthly, (on Form 18, revised,) to the collector.—(See section 3348.)

BREWER'S RETURNS.

Every brewer shall, on or before the tenth day of each month, render to the collector or proper deputy collector, in duplicate, a true statement in writing, (Form 18, revised,) taken from his books, for the preceding month, of the matters called for by said form; which return will be duly verified as in said form prescribed, and must be immediately forwarded to the collector of the district, and the collector will forward a duplicate of the return to the Commissioner of Internal Revenue.

STAMPS TO BE AFFIXED AND CANCELLED.

Section 3341 provides that "The Commissioner of Internal Revenue shall cause to be prepared, for the payment of such tax, suitable stamps denoting the amount of tax required to be paid on the hogsheads, barrels, and halves, thirds, quarters, sixths, and eighths of a barrel of such fermented liquors, (and shall also cause to be prepared suitable permits for the purpose hereinafter mentioned,) and shall furnish the same to the collectors of

internal revenue, who shall each be required to keep on hand at all times a sufficient supply of permits, and a supply of stamps equal in amount to two months' sale thereof, if there be any brewery or brewery warehouse in his district; and such stamps shall be sold, and permits granted and delivered by such collectors, *only* to the brewers of their districts respectively."

Every brewer desiring to obtain stamps denoting payment of the tax on fermented liquors will first apply to the collector of the district in which his brewery is situated. Failing to obtain them of such collector, he may apply to the collector of another district, and the last-named collector, upon satisfying himself of a previous application and refusal, as before specified, may furnish to him the desired stamps.

Collectors are instructed to deliver stamps and brewer's permits only upon the written order of the brewer entitled to the same.

Collectors will keep accounts of stamps sold to brewers in the record furnished by this office.

Section 3342, Revised Statutes, as amended by act of March 3, 1875, provides "That every brewer shall obtain from the collector of the district in which his brewery or brewery warehouse is situated, and not otherwise unless such collector shall fail to furnish the same upon application to him, the proper stamps, and shall affix, upon the spigot-hole in the head of every hogshead, barrel, keg, or other receptacle in which any fermented liquor is contained, when sold or removed from such brewery or warehouse, (except in case of removal under permit, as hereinafter provided,) a stamp denoting the amount of the tax required upon such fermented liquor, which stamp shall be destroyed by driving through the same the faucet through which the liquor is to be withdrawn, or an air-faucet of equal size, at the time the vessel is tapped, in case the vessel is tapped through the other spigot-hole, (of which there shall be but two, one in the head and one in the side,) and shall, also, at the time of affixing such stamp, cancel the same by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor was made, or the initial letters thereof, and the date when cancelled."

Section 3352 provides that "The ownership or possession by any person of any fermented liquor after its sale or removal from the brewery or warehouse, or other place where it was made, upon which the tax required has not been paid, shall render such liquor liable to seizure wherever found, and to forfeiture, removal under said permits excepted. And the absence of the proper stamps from any hogshead, barrel, keg, or other vessel containing fermented liquor, after its sale or removal from the brewery where it was made, or warehouse as aforesaid, shall be notice to all persons that the tax has not been paid thereon, and shall be prima-facie evidence of the non-payment thereof."

These provisions make it necessary that the stamps should be well secured to the vessels, and not easily removed therefrom except by intentional effort for that purpose.

The stamp must be affixed upon the spigot-hole in the head of the package; and the spigot or the air-faucet must in all cases be driven through the stamp in such a manner as to effectually destroy such stamp.

When the stamp is dry, a second coating of the silicate should be spread over the face of the stamp; and if the barrels are to be exposed to the action of the weather, or to be stored in damp places for considerable periods, the stamp should be secured by four tacks to prevent its peeling off.

In renewing the stamp upon a barrel used the second time, the tacks should be withdrawn and the stamp carefully scraped off. The stamp at the time of being affixed is to be cancelled by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor was made, or the initial letters of such name, and the date of such cancellation.

It has been observed that, in some cases, brewers affix two stamps of the same denomination to one package of a higher denomination, as, for instance, two quarter-barrel stamps to a half-barrel package. This practice must be discontinued, and no brewer will be allowed to use more than one stamp upon any one package, except it be a package larger than a hogshead, and collectors will re-

port to this Office each and every violation of the regulations in this regard.

REMOVAL WITHOUT STAMPS AND UNDER PERMIT.

Section 3345 provides that "Any brewer may remove or transport, or cause to be removed or transported, from his brewery or other place of manufacture to a depot, warehouse, or other place used exclusively for storage or sale in bulk, and occupied by him, in another part of the same collection district, or in another collection district, but to no other place, malt liquor of his own manufacture, known as lager-beer, in quantities of not less than six barrels in one vessel, and malt liquor of his own manufacture, known as ale or porter, or any other malt liquor of his own manufacture not heretofore mentioned, in quantities not less than fifty barrels at a time, without affixing the proper stamps on said vessels of lager-beer, ale, porter, or other malt liquor, at the brewery or place of manufacture, under a permit, which shall be granted, upon application, by the collector of the district in which said malt liquor is manufactured, and under such regulations as the Commissioner of Internal Revenue may prescribe; and thereafter the manufacturer of said malt liquor shall stamp the same, when it leaves such depot or warehouse, in the same manner and under the same penalties and liabilities as when stamped at the brewery as herein provided. And the collector of the district in which such depot or warehouse is situated shall furnish the manufacturer with the stamps for stamping the same, as if the said malt liquor had been manufactured in his district. And said permit must be affixed to every such vessel or cask so removed, and cancelled or destroyed in such manner as the Commissioner of Internal Revenue may prescribe." * * *

At the time the permit is affixed, the brewer will cancel it by writing or stamping across the face thereof his name, the location of his brewery, and the date of the cancellation of the permit.

The permits will be retained on the packages until they are withdrawn from the warehouse, and the tax-paid

stamps affixed, at which time the permits will be scraped off and utterly destroyed.

The brewer, upon receiving the permits, will at once securely affix them to the heads of the barrels near the chime, and immediately under the bung-stave.

As soon as the permits are affixed, and within five days after their delivery to the brewer, he will notify the collector of the fact, in order that the collector may record the date of affixing on the stubs of such permits retained in his office.

Permits are intended merely to protect the liquor while in transit from the brewery to the warehouse, and any package found out of the warehouse under permit at any time after it should have been in warehouse may be detained, and the claimant required to prove absence of fraudulent intent.

The date of affixing the permit, or, in case this date is accidentally obliterated, the date of issuing the permit, is the point of time from which calculations should be made, in determining as to whether the package has been too long on the way from the brewery to the warehouse. In case both dates are illegible, the package may be detained, and the claimant required to prove that no fraud has been practised or is intended. The serial number of the permit will indicate the means of release where there is no fraud in the case, the collector who issued the permit being able to give the date thereof from the serial number on the stub in his possession. In case the warehouse is situated in his own district, the collector will take such precautions as he sees fit, to secure the prompt delivery of the liquor into the warehouse.

In case the warehouse is in another district, a notification on Form No. 29, revised, will be forwarded by the collector to the collector of the district to which the removal is to be made; and the brewer will promptly notify the last-named collector of the receipt at his store or warehouse of such fermented liquor. If this last notice is not seasonably received, information of this fact will be given by the collector in whose district the warehouse is situated to the collector who granted the permits.

Collectors and brewers are requested to write or stamp the dates on these permits with great distinctness.

A record of all permits granted must be kept by the collector granting them.

Stamps for use at the place of storage in these cases should be obtained of the collector of the district within which the warehouse is situated.

Brewers will enter all liquor removed to other collection districts under permits on the book, (Form 104, revised,) and report the same on the return, (Form 18, revised.)

REMOVAL OF SOUR OR DAMAGED FERMENTED LIQUOR.

Section 3347 provides that "When fermented liquor has become sour or damaged, so as to be incapable of use as such, brewers may sell the same for manufacturing purposes, and may remove the same to places where it may be used for such purposes, in casks, or other vessels, unlike those ordinarily used for fermented liquors, containing respectively not less than one barrel each, and having the nature of their contents marked upon them, without affixing thereon the permit, stamp or stamps required."

BOTTLING.

Section 3354, Revised Statutes, forbids the withdrawing of fermented liquor from any barrel, keg, or other vessel upon which the proper stamp has not been affixed for the purpose of bottling the same. The same section also provides that fermented liquor shall not be bottled in any brewery or other place in which fermented liquor is made, or upon any premises having communication with a brewery or warehouse for the storage of fermented liquors. The attention of collectors is called to the fact that the law does not under any circumstances permit bottling on any portion of the premises described in the Form 27*c*.

Beer intended for bottling must be drawn into stamped packages and removed from the brewery, and the bottling premises must be so separated from the brewery as that the beer must be carried over the public highway in its passage from the brewery to the bottling establishment.

The provision of section 3354 of the Revised Statutes,

relative to withdrawing fermented liquor for the purpose of bottling, and prohibiting the bottling of fermented liquor on the brewery premises, or upon any premises having communication therewith, will be held to apply to weiss beer as well as to other fermented liquors.

CASKS TO BE MARKED BY BRANDING.

Section 3349 provides that "Every brewer shall, by branding, mark or cause to be marked upon every hogshead, barrel, keg, or other vessel containing the fermented liquor made by him, before it is sold or removed from the brewery, or brewery warehouse, or other place of manufacture, the name of the person, firm, or corporation by whom such liquor was manufactured, and the place of manufacture; and every person other than the owner thereof, or his agent authorized so to do, who intentionally removes or defaces such marks therefrom, shall be liable to a penalty of fifty dollars for each cask or other vessel from which the mark is so removed or defaced."

BREWER PURCHASING FERMENTED LIQUOR FROM ANOTHER.

The proviso to section 3349 is as follows: "*Provided*, That when a brewer purchases fermented liquor finished and ready for sale from another brewer, in order to supply the customers of such purchaser, the customer may, upon written notice to the collector of his intention so to do, and under such regulations as the Commissioner of Internal Revenue may prescribe, furnish his own vessels, branded with his name and the place where his brewery is situated, to be filled with the fermented liquor so purchased, and to be so removed; the proper stamps to be affixed and cancèlled, as aforesaid, by the manufacturer before removal."

The notice in this case will be furnished to the collector in time to afford him an opportunity to detail an officer to witness the filling of the vessels.

The collector will detail an officer to witness the delivery of the liquor from the premises of the manufacturer,

who, after having seen the vessels filled and the stamps affixed, will certify to the facts on the back of the notice.—(See sec. 3244, clause 5, as amended, for the liability of brewers to special tax in such cases.)

PERMIT TO BREWER TO CONDUCT BUSINESS ELSEWHERE THAN AT HIS BREWERY.

Where, by reason of an accident by fire or flood, or by reason of his brewery undergoing repairs, or other circumstances which may, in the opinion of the collector of the proper district, require or render it proper that a brewer shall be permitted to conduct his business wholly or partially at some other place within the same or adjoining district for a temporary period, it shall be lawful for such collector to issue a permit to such brewer authorizing him to conduct his business wholly or partially, according to the circumstances, at such other place for a period in such permit to be stated, and such brewer shall not be required to pay another special tax for the purpose.—(Section 3350.)

In case the premises to be temporarily used are situated in an adjoining district, the collector will not issue the permit without the written consent of the collector of that district or special authority of this office.

No such permit will be given until consent to the business being conducted as proposed shall be endorsed on the brewer's bond by the principal and sureties thereof.

SALE AND REMOVAL OF UNFERMENTED WORTS.

Section 3351 provides that "When malt liquor or tun liquor, in the first stages of fermentation, known as unfermented worts, of whatever kind, is sold by one brewer to another for the purpose of producing fermentation or enlivening old or stale ale, porter, lager-beer, or other fermented liquors, it shall not be liable to a tax to be paid by the seller thereof, but the tax on the same shall be paid by the purchaser thereof, when the same, having been mixed with the old or stale beer, is sold by him as provided by law, and such sale or transfer shall be sub-

ject to such restrictions and regulations as the Commissioner of Internal Revenue may prescribe."

Any brewer desiring to transfer unfermented worts from one brewery to another may do so upon obtaining a permit therefor from the collector of the district in which the brewery from which the worts are to be removed is situated, which permit will state specifically the quantity to be removed and the time in which the removal is to be made.

To avoid trouble, brewers, are desired, as far as possible, to use in such cases vessels unlike those ordinarily used for fermented liquors, containing not less than one barrel each, and having the nature of their contents marked upon them.

Agents will take suitable measures, including procuring detention, if necessary, for the prevention of fraud in the sale and removal of fermented liquor alleged to be unfermented worts, or to be sour or damaged.

ALLOWANCE OF DRAWBACK ON FERMENTED LIQUOR EXPORTED.

Fermented liquors may be exported with an allowance for drawback as provided in section 3441, Revised Statutes, as amended March 1, 1877. Special provision has also been made for its exportation, with allowance for drawback, in bottles, bottled from stamped packages. For full instructions, see Series 7, No. 13, Revised.

IMPORTED MALT LIQUORS.

Section 11 of the act of March 1, 1879, provides that all malt liquors imported in pipes, hogsheads, tierces, barrels, casks, or other similar packages, shall be first placed in public store or bonded warehouse, and shall not be withdrawn therefrom until the same shall have been inspected, marked, and branded by a United States customs gauger, and a stamp affixed to each package indicating the date and particulars of such inspection.

The act of March 1, 1879, further provides (section 12) that when such package is emptied the marks, brands,

and stamp thereon must be effaced, obliterated, and destroyed, under penalties therein prescribed; and section 13 provides further penalties for purchasing or selling, or having in possession, any cask or package with the imported-liquor stamp or marks and brands thereon, which has once been used to contain imported liquors, and has been emptied.

Agents will, from time to time, examine the barrels and other vessels used in the sale of fermented liquors, to see if they are properly marked, as required by law, and, when found otherwise, they will report the fact to the Commissioner of Internal Revenue.

For detailed instructions in relation to breweries and the collection of tax on fermented liquors, see Series 7, No. 6—Revised.

PENALTIES.

Evading tax, making or procuring false entries, neglecting to keep books, refusing to permit examination of books, &c.—(Sec. 3340, R. S.)

"Every owner, agent, or superintendent of any brewery, vessels, or utensils used in making fermented liquors, who evades, or attempts to evade, the payment of the tax thereon, or fraudulently neglects or refuses to make true and exact entry and report of the same in the manner required by law, or to do, or cause to be done, any of the things by law required to be done by him, or who intentionally makes false entry in said book or in said statement, or knowingly allows or procures the same to be done, shall forfeit, for every such offence, all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same, and be liable to a penalty of not less than five hundred nor more than one thousand dollars, to be recovered with costs of suit, and shall be deemed guilty of a misdemeanor, and be imprisoned for a term not exceeding one year. And every brewer who neglects to keep books, or refuses to furnish the account and duplicate thereof as provided by law, or refuses to permit the proper officer to examine the books in the manner provided, shall, for every such refusal or neglect, forfeit and pay the sum of three hundred dollars."

Neglecting to affix and cancel stamps, or affixing false or fraudulent stamps.—(Sec. 3342, R. S.)

"Every brewer who refuses or neglects to affix and cancel the stamps required by law in the manner aforesaid, or who affixes a false or fraudulent stamp thereto, or knowingly permits the same to be done, shall pay a penalty of one hundred dollars for each barrel or package on which such omission or fraud occurs, and be imprisoned not more than one year."

Selling, removing, or buying fermented liquors in packages without stamp, or with false or reused stamps.—(Sec. 3343, R. S.)

"Whenever any brewer, cartman, agent for transportation, or other person, sells, removes, receives, or purchases, or in any way aids in the sale, removal, receipt, or purchase, of any fermented liquor contained in any hogshead, barrel, keg, or other vessel from any brewery or brewery warehouse, upon which the stamp, or permit, in case of removal, required by law, has not been affixed, or on which a false or fraudulent stamp, or permit, in case of removal, is affixed, with the knowledge that it is such, or on which a stamp, or permit, in case of removal, once cancelled, is used a second time, he shall be fined one hundred dollars and imprisoned for not more than one year."

Drawing fermented liquors from packages without stamps, or with false stamps, or without defacing the stamps.—(Sec. 3344, R. S.)

"Whenever any retail dealer, or other person withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel containing the same, without destroying or defacing the stamp affixed thereon, or withdraws or aids in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel, upon which the proper stamp has not been affixed or on which a false or fraudulent stamp is affixed, he shall be fined one hundred dollars and imprisoned not more than one year."

Making, selling, or using false stamps, permits, or dies.—(Sec. 3346, amended March 1, 1879. See also section 3429, as amended by section 17 of act of March 1, 1879.)

"Every person who makes, sells, or uses any false or counterfeit stamp or permit, or die for printing or making stamps or permits, which is in imitation of or purports to be a lawful stamp, permit, or die of the kind before mentioned in this chapter, or who procures the same to be done, and every person who shall remove, or cause to be removed, from any cask or package of fermented liquors, any stamp denoting the tax thereon, with intent to re-use such stamp, or who, with intent to defraud the revenue, knowingly uses, or permits to be used, any stamp removed from another cask or package, or receives, buys, sells, gives away, or has in his possession, any stamp so removed, or makes any fraudulent use of any stamp for fermented liquors, shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years."

Removing or defacing marks from vessels containing fermented liquors.—(Sec. 3349, R. S.)

"Every brewer shall, by branding, mark or cause to be marked upon every hogshead, barrel, keg, or other vessel containing the fermented liquor made by him, before it is sold or removed from the brewery or brewery warehouse, or other place of manufacture, the name of the person, firm, or corporation by whom such liquor was manufactured, and the place of manufacture; and every person other than the owner thereof, or his agent authorized so to do, who intentionally removes or defaces such marks therefrom, shall be liable to a penalty of fifty dollars for each cask or other vessel from which the mark is so removed or defaced."

Removal or defacement of stamps by others than the owner.—(Sec. 3353, R. S.)

"Every person, other than the purchaser or owner of any fermented liquor, or person acting on his behalf, or as his agent, who intentionally removes or defaces the stamp

or permit affixed upon the hogshead, barrel, keg, or other vessel, in which the same is contained, shall be liable to a fine of fifty dollars for each such vessel from which the stamp or permit is so removed or defaced, and to render compensation to such purchaser or owner for all damages sustained by him therefrom."

Bottling on brewery premises, or withdrawing fermented liquors from unstamped packages for bottling.—(Sec. 3354, R. S.)

"Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been affixed, for the purpose of bottling the same, or who carries on, or attempts to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture."

FORFEITURE.

Possession of fermented liquor after removal from brewery or warehouse upon which tax has not been paid, cause of forfeiture; absence of stamps after removal from brewery prima-facie evidence of non-payment of tax.—(Sec. 3352, R. S.)

"The ownership or possession by any person of any fermented liquor after its sale or removal from the brewery or warehouse, or other place where it was made, upon which the tax required has not been paid, shall render such liquor liable to seizure wherever found, and to forfeiture, removal under said permits excepted. And the absence of the proper stamps from any hogshead, barrel, keg, or other vessel containing fermented liquor, after its sale or removal from the brewery where it was made, or warehouse as aforesaid, shall be notice to all persons that the tax has not been paid thereon, and shall be prima-facie evidence of the non-payment thereof"

TOBACCO, SNUFF, AND CIGARS.

So numerous are the manufacturers of tobacco and cigars in this country, and so universal is the use of and extensive the trade in manufactured tobacco in its various conditions, that only by the exercise of the greatest vigilance on the part of local officers of internal revenue can the faithful collection of the tax from this source be secured. The most practical contrivances which have been suggested in the manner of affixing and cancelling stamps, and of marking and branding packages to prevent frauds, have failed to accomplish the desired object. The most reliable safeguard which has yet been discovered to protect the Government against the practices of dishonest tax-payers in this respect is the fidelity, energy, and efficiency of its officers.

By frequent examinations of tobacco and cigar manufactories on the part of deputy collectors in their respective divisions, and by revenue agents in their districts, by examining to see if the tobacco and cigars in the hands of the dealers are properly stamped, and the stamps on all empty packages are immediately and thoroughly destroyed, by exacting full compliance with the law and regulations on the part of leaf-dealers, manufacturers, and dealers in manufactured tobacco and cigars, by rigid enforcement of the law in its penal provisions upon guilty intentional violators—in fine, by vigorous and united effort, on the part of all revenue officers—it is believed that if frauds cannot be entirely suppressed they can be restricted in a great degree.

The most common methods of defrauding the revenue of the tax upon manufactured tobacco and cigars are by the reuse of stamps and by the refilling and reuse of stamped packages. Both modes employed require to a greater or less extent complicity between the manufacturer and dealer in tobacco and cigars. The law requires the destruction of the stamps as soon as the packages are emptied, but instead of destroying them the dishonest dealer carefully removes the stamps, either before or after the packages are emptied, and returns them to the manufacturer to be used a second time.

In many parts of the country peddlers take the tobacco from the factory and distribute it through the country, taking back with them either stamps which have been before used, or empty or partially empty packages, both of which are subsequently used to convey tobacco from the factory to the dealer or consumer and to defraud the revenue. No legitimate use can be made of stamps or stamped packages which have once been used, therefore the dealer or peddler of tobacco or cigars who preserves them is justly chargeable with fraudulent intent, as no one can be supposed to be ignorant of the law requiring the destruction of all stamps.

Dealers can legally retail tobacco only from stamped packages, and cigars only from boxes properly stamped and branded; therefore all tobacco or cigars exposed for sale, or found on the market, and not under the protection of a genuine revenue stamp, placed upon the package before it was removed from the place where it was made, are liable to forfeiture, and should be immediately seized.

Manufacturers can sell only in original unbroken packages. Peddlers employed by manufacturers have no rights in this respect which their principals have not, and have no right to break a package or sell the goods otherwise than as they were put up and prepared by the manufacturers.

Empty stamped packages for tobacco, snuff, or cigars found in any manufactory, or place where such goods are manufactured, are *prima-facia* evidence that they are intended to be refilled, and are to be so treated.

DEALERS IN LEAF TOBACCO.

A special tax of $25 is imposed upon every person whose business it is, for himself or on commission, to sell, or offer for sale, or consign for sale on commission, leaf tobacco, and the payment of any other special tax does not relieve a person who deals in leaf tobacco from the payment of this tax.

Section 3244, Revised Statutes, limits the right to sell under this special tax to three classes of purchasers, viz: 1. To other dealers who have paid a special tax. 2. To

manufacturers of tobacco, snuff, or cigars. 3. To persons known to be purchasers of leaf tobacco for export, and who purchase only in original hogsheads, cases, or bales: *Provided*, It shall be lawful for any licensed manufacturer of cigars to purchase leaf tobacco of any licensed dealer or other licensed manufacturer in quantities less than the original package for use in his own manufactory exclusively. Any leaf-dealer selling to other persons, or in other manner than as above, *becomes a retail dealer in leaf tobacco*, and liable to pay a special tax as such.

EXEMPTIONS FROM SPECIAL TAX AS DEALERS IN LEAF TOBACCO.

Farmers and planters, for selling tobacco of their own production, or tobacco received by them as rent from tenants who have produced the same on their lands, are not required to pay special tax as dealers in leaf tobacco.

The executor or administrator of a farmer or planter, and the guardian of any minor, is exempted from the payment of special tax as dealer in leaf tobacco for selling tobacco produced by such farmer or planter, or by said executor, administrator, or guardian as such, or received by either of them as rents from tenants who have produced the same on the land of said farmer, planter, or minor.

A farmer or planter is not required to pack or prize his tobacco, before offering it for sale, in hogsheads or otherwise, but he may sell it loose, as he has heretofore been in the habit of selling. If, however, the farmer or planter shall sell directly to consumers, or if he sells, assigns, consigns, transfers, or disposes of his tobacco to persons other than those who have paid special taxes either as leaf-dealers or as manufacturers of tobacco, snuff, or cigars, or to persons purchasing leaf tobacco for export, he becomes liable, as a retail dealer in leaf tobacco, to the special tax of $500, and to the additional tax of fifty cents on every dollar in excess of $1,000 of his sales.

No sheriff or other officer acting under order or process of any court or magistrate, nor trustee, or other fiduciary, legally acting under the powers vested in him, shall be

liable to said special tax as a dealer or retail dealer in selling tobacco under such authority. And no purchaser at any sale by such sheriff, officer, trustee, or fiduciary, shall be held liable to any other tax or restriction as to a sale of tobacco so purchased than he would have been had such purchaser been the producer thereof on his own land. (Sec. 3244, R. S., sixth paragraph, as amended.)

DEALERS IN LEAF TOBACCO TO KEEP BOOKS.

Section 3360, Revised Statutes, as amended by the act of March 1, 1879, provides that every dealer in leaf-tobacco shall keep two books, one of which is to be furnished by the Government. In these books the dealer is to enter, daily, the number of hogsheads, cases, and pounds of leaf tobacco purchased or received by him on assignment, consignment, transfer, or otherwise, and of whom purchased or received, and the number of hogsheads, cases, or pounds sold by him, with the name and residence in each instance of the person to whom sold, and if shipped, to whom shipped and to what district. The entries in both of these books are to be in every respect identical and original entries. One of these books is to be kept at the dealer's place of business, and is to be open at all hours to the inspection of any internal-revenue officer or agent. The other book, which is the property of the Government, at the end of each and every year, and upon the discontinuance of business of every dealer during any year, is to be handed over to the collector of his district for the use of the Government.

In the book furnished by the Government an entry is required to be made of the stock of leaf tobacco on hand on the 1st day of May, 1879, giving the number and kind of packages and the gross and net weight of the same in pounds. And on the 1st day of January of each year, and at the time of commencing and concluding business, if before or after the 1st day of January, each and every leaf-dealer will be required to make an inventory of the stock on hand at such times, and to enter this inventory in the Government book furnished for his use for each succeeding year.

RETAIL DEALERS IN LEAF TOBACCO.

Retail dealers in leaf tobacco are required to pay a special tax of $500, and if their annual sales exceed $1,000, they are made liable for an additional tax of fifty cents for every dollar in excess of $1,000 of their sales.

The retail dealer in leaf tobacco, as defined by the statute, is any person whose business it is to sell leaf tobacco in quantities less than an original hogshead, case, or bale, or who sells to persons other than the following three classes of purchasers, viz: 1. Dealers in leaf tobacco who have paid a special tax as such. 2. Manufacturers of tobacco, snuff, or cigars, who have paid a special tax. 3. Persons who purchase in original packages for export. The payment of any other special tax will not exempt a person who sells leaf tobacco as hereinbefore stated from the payment of the special tax as a retail dealer in leaf tobacco.

RETAIL DEALERS IN LEAF TOBACCO TO KEEP BOOKS.

Retail dealers in leaf tobacco are required also to keep a book (Form 149) and daily to make entries therein of all their purchases and sales. This book is to be open at all times for the inspection of any revenue officer, and from it the semi-annual returns of sales in excess of $1,000 annually are to be made up.

EXCESS OF SALES BY RETAIL DEALERS IN LEAF TOBACCO, AND MODE OF RETURNING THE SAME.

By virtue of the authority given to the Commissioner of Internal Revenue by section 3244, paragraph 7, Revised Statutes, it has been prescribed that retail dealers in leaf tobacco whose annual sales exceed $1,000 shall, on or before the 10th day of January and July of each year, make to the collector or his deputy, of each district respectively, a return of the amount of their sales in excess of $1,000 annually. Collectors receiving such returns will forward them immediately to the Commissioner of Internal Revenue, who will make the assessments (on Form 23)

and return the same to the several collectors forwarding to him such returns, that the taxes may be by them collected.

STATEMENTS OF SALES ON LEAF TOBACCO TO BE RENDERED ON DEMAND.

Section 3359, Revised Statutes, requires any dealer in leaf tobacco or in any material used in manufacturing tobacco or snuff, on demand of any officer of internal revenue, to render a true and complete statement, under oath, of the quantity and amount of such leaf tobacco or material sold or delivered to any person named in such demand; and provides that in case of refusal or neglect to render such statement, or if there is cause to believe such statement to be incorrect or fraudulent, the collector shall make an examination of persons, books, and papers in the same manner as in other cases of frauds and evasions.

Section 3361, Revised Statutes, makes it the duty of every farmer or planter producing or selling leaf tobacco, on demand of any revenue officer or authorized agent of the Treasury Department, to furnish said officer or agent with a true and complete statement, verified by oath, of all his sales of leaf tobacco, the number of hogsheads, cases, or pounds, with the name and residence, in each instance, of the person to whom sold, and the place to which it is shipped. If such farmer or planter wilfully refuses to furnish this information, or knowingly makes false statements as to any of the facts aforesaid, he renders himself liable to a penalty not exceeding five hundred dollars.

TRANSCRIPTS OF LEAF-TOBACCO-DEALERS' BOOKS.

Transcripts from the books of leaf-tobacco dealers showing all sales made to manufacturers of tobacco, snuff, and cigars, are required to be made by collectors and forwarded to the Office of Internal Revenue, under such instructions as may be communicated to them from time to time by the Commissioner.

LIABILITY OF LEAF-DEALERS IN REGARD TO KEEPING BOOKS.

Section 3360, Revised Statutes, as amended, declares that every dealer in leaf tobacco shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not more than one year, who wilfully neglects or refuses to keep the books therein provided for, and in the manner which shall be prescribed by the Commissioner of Internal Revenue, or to transfer to the collector of his district, as therein provided, the duplicate copy containing his daily transactions.

SALES OF LEAF TOBACCO TO MANUFACTURERS OF CIGARS BY LEAF-DEALERS, OR BY OTHER MANUFACTURERS.

A person who has paid special tax of twenty-five dollars as a dealer in leaf tobacco, or has paid a special tax of ten dollars, and otherwise qualified himself as a manufacturer of tobacco or cigars, is allowed, under the second proviso to paragraph sixth of section 3244, Revised Statutes, as amended by the act of March 1, 1879, to sell to a legally-authorized manufacturer of cigars leaf-tobacco in quantities less than the original package, for use in his own manufactory exclusively. Said proviso does not authorize the sale at retail of leaf tobacco to purchasers promiscuously. Before it will be safe to make such sales, the leaf-dealer or manufacturer must be satisfied that the person applying to purchase is a qualified cigar manufacturer, and, as such, has paid a special tax covering the time when the application is made. Good evidence of such qualification would be a certificate from the collector that the person wishing to purchase leaf tobacco is on his register as a cigar manufacturer, and that he has issued to him a special-tax stamp for the current year; or, in the absence of such certificate, the special-tax stamp itself. In the latter case the stamp should be carefully examined to see if it is issued to the person making the application and if the stamp is for the current year. No other stamp should be accepted as evidence that the purchaser is authorized to buy at retail under said proviso. And for such sales made to any

person except to a cigar manufacturer who has paid special tax as such, and who purchases for use in his own manufactory exclusively, the seller, if a leaf-dealer, would become liable to pay the tax of a retail dealer in leaf tobacco of five hundred dollars.

All such sales, if made by a person qualified as a leaf-dealer, must be entered in his Government book; if made by a tobacco or cigar manufacturer, they must be reported each month to the collector, in order to obtain proper credit therefor. Otherwise the manufacturer would be held to have used the same in his own manufacture of tobacco or cigars, and would be required to render an account of the same in manufactured products, and pay the tax as for tobacco or cigars sold or removed without proper stamps.

PEDDLERS OF TOBACCO.

Any person who sells or offers to sell *and deliver* manufactured tobacco, snuff, or cigars, travelling from place to place in the town or through the country, is regarded as a peddler of tobacco.

Agents of manufacturers, who take orders merely, or sell by samples, but do not deliver the goods, are not liable as peddlers.

The special taxes of peddlers are graded according to their classification:

First-class, travelling with more than two horses, mules, or other animals	$50
Second-class, travelling with two horses, mules, or other animals	25
Third-class, travelling with one horse, mule, or other animal	15
Fourth-class, travelling on foot or by public conveyance	10

The person who actually travels on foot, by public conveyance, or with one or more horses, mules, or other animals, from place to place, in the town or through the country, and sells and delivers the goods, whether he owns the wagon and team, and the tobacco, snuff, or cigars, and sells the same on his own account, or is simply the employé of the manufacturer or other person who owns the goods and the team, or either of them, while he has no interest in the sales he effects beyond his stipulated wages, is the peddler, and will be required to furnish the

statement, give the bond, pay the special tax, and perform the other duties required of peddlers.

The bond may be given by a firm, and a special-tax stamp and certificate may be issued to and in the name of a firm to peddle manufactured tobacco. Under such a stamp and certificate any member of the firm can travel and make sales and deliveries from their peddler's wagon. But no agent or employé of the firm can drive the wagon and make sales and deliver tobacco under a special-tax stamp and certificate so issued. The payment of special tax as peddler does not authorize a person to sell at retail, or in quantities less than an original stamped package, put up and stamped as all manufactured tobacco, snuff, and cigars are required to be put up and stamped by the manufacturers thereof.

PEDDLER'S STATEMENT.

By section 3381, Revised Statutes, it is made the duty of every peddler of tobacco, before commencing, or, if already commenced, before continuing to peddle tobacco, to furnish to the collector of his district a statement, (Form 95,) giving the following particulars:

1. Place of residence; if in a city, the street and number.
2. The State or States through which he proposes to travel.
3. The mode of travel—on foot, by public conveyance, or with one, two, or more horses, mules, or other animals.
4. To state whether he proposes to sell his own manufactures or the manufactures of others, and if he sells for other parties, the name or names of the same.

PEDDLER'S BOND.

Section 3381, Revised Statutes, makes it the duty of every peddler of tobacco, snuff, or cigars, to give a bond, (Form 111,) to be approved by the collector of his district, in the penal sum of two thousand dollars.

The conditions of this bond are those prescribed in the statute and printed in the form above referred to.

PEDDLER REQUIRED TO HAVE HIS COLLECTOR'S CERTIFICATE.

Upon his furnishing the proper statement, filing the required bond, and paying his special tax, the collector is authorized and directed to furnish to the peddler of tobacco a certificate, (Form 151,) which he is required to exhibit on demand of any internal-revenue officer. A failure on the part of any peddler to exhibit said collector's certificate on demand of a revenue officer is made cause of seizure of the horse or mule, wagon, and contents, or pack, bundle, or basket, of such peddler, and unless he shall, after due notice is published or served personally upon him by the collector of the district in which the seizure occurs, show cause why the property shall not be forfeited, proceedings are authorized by section 3383, Revised Statutes, as amended, to be instituted for forfeiture.

PEDDLER'S SIGN.

Every peddler is required to have a sign affixed to his wagon, which must be in a conspicuous place, and upon the outside of the wagon, on which there must be painted in oil-colors, or gilded, his full name, his business, (peddler of tobacco,) and the collection district from which he obtained his certificate.—(Section 3382, Revised Statutes.)

PEDDLERS CAN ONLY SELL IN ORIGINAL PACKAGES.

By section 3384, Revised Statutes, peddlers are not allowed to break packages of tobacco and retail therefrom, but all sales made by them of either tobacco, snuff, or cigars, must be in original and unbroken packages, as the same were put up and prepared by the manufacturers thereof for sale, or for removal for sale or consumption.

LIABILITIES OF PEDDLERS.

Section 3383, Revised Statutes, as amended by the act of March 1, 1879, provides that—

"Every peddler of tobacco shall obtain a certificate from the collector of his collection district, who is hereby

authorized and directed to issue the same, giving the name of the peddler, his residence, the class of his special-tax stamp, and the fact of his having filed the required bond; and shall on demand of any officer of internal revenue, produce and exhibit said certificate and his special-tax stamp, and, unless he shall do so, may be deemed not to have paid the special tax, nor otherwise to have complied with the law. And whenever any peddler refuses to exhibit his special-tax stamp and certificate, or either of them, as aforesaid, on demand of any officer of internal revenue, said officer may seize the horse or mule, wagon and contents, or pack, bundle, or basket, of any person so refusing; and the collector of the district in which the seizure occurs may, on ten days' notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagon and contents, pack, bundle, or basket, so seized, shall not be forfeited. In case no sufficient cause is shown, proceedings for the forfeiture of the property seized shall be taken under the general provisions of the internal-revenue laws relating to forfeitures. Any internal-revenue agent may demand production of, and inspect the peddler's special-tax stamp and the collector's certificate for peddlers; and refusal or failure to produce the same, or either of them, when so demanded, shall subject the party guilty thereof to a fine of not less than fifty dollars nor more than five hundred dollars, and to imprisonment for not less than thirty days nor more than twelve months."

In addition to the penalties and forfeitures as provided above, a fine of not less than one hundred dollars nor more than five hundred dollars, or imprisonment for not less than six months nor more than one year, or both, at the discretion of the court, are imposed by section 3384, Revised Statutes, upon a peddler who shall have committed either of the following offences, viz:

1. Who shall be found peddling tobacco, snuff, or cigars, without having given the bond, or without having previously obtained the collector's certificate.

2. Who shall break original packages and retail there-

from, or sell tobacco, snuff, or cigars, otherwise than in original and full packages as put up by the manufacturer.

3. Who shall have in his possession any internal-revenue stamp or stamps which have been removed from any box or other package of tobacco, snuff, or cigars.

4. Who shall have in his possession any empty or partially-emptied box or other package which has been used for tobacco, snuff, or cigars, the stamp or stamps on which have not been destroyed.

5. Or who shall fail to have affixed to his wagon, in a conspicuous place, a sign with his name painted in full, his business and his collection district.

SELLING TOBACCO AND CIGARS ON RAILROAD PASSENGER TRAINS, STEAMBOATS, ETC.

Persons travelling in railroad cars for the purpose of selling tobacco and cigars for the accommodation of passengers are held to be dealers and not peddlers. And they are allowed to sell at retail from properly-stamped packages under special-tax stamps as dealers, provided that such sales are made exclusively within the cars composing the train.

In making application for special-tax stamp for the purpose of selling tobacco and cigars on railroad trains, the applicant must state the route over which he purposes to travel.

In filling out such tax-stamps the collector will embody these facts therein. But no such tax-stamp will authorize the holder to sell tobacco or cigars in cars running over any other route than that designated in said stamp.

The same rule as above will be applicable to persons selling tobacco and cigars for the accommodation of passengers travelling on steamboats or other vessels navigating inland waters, and engaged in the business of carrying passengers.

DEALERS IN MANUFACTURED TOBACCO.

Every person whose business it is to sell, or offer for sale, manufactured tobacco, snuff, or cigars, is declared to be a dealer in manufactured tobacco, and required to pay

a special tax of five dollars. The law does not exempt any person from the payment of this tax by reason of the small amount of his sales.

Manufacturers of tobacco, snuff, and cigars are not required to pay a special tax as dealers, for selling the products of their own manufacture, at the place of manufacture.

This exemption does not apply to manufacturers who sell at places other than the place of manufacture.

When the manufacturer removes his goods from the place of maufacture for sale to a store or sales-room separate and distinct from his factory, he becomes liable as a dealer to pay the special tax of five dollars. The manufacturer, as such, can sell his products only in original and unbroken packages, while, as dealer, he may retail from packages stamped according to law, as provided in section 3363 and 3392, Revised Statutes.

SALE OF MANUFACTURED TOBACCO, SNUFF, AND CIGARS.

The sale of tobacco, snuff, and cigars can only be made by manufacturers in packages, each package bearing a stamp properly affixed and cancelled, and the package itself being according to the description and limitation prescribed in section 3362, Revised Statutes, as amended, and no other.

Dealers in manufactured tobacco must also sell whole packages, each package bearing the properly-cancelled stamp. Two exceptions are made to this rule. Dealers are authorized to sell chewing-tobacco, cavendish, twist, and fine-cut chewing at retail from legal bulk packages, legally stamped, marked, and labelled, or cigars from boxes packed, stamped, and branded in the manner prescribed by law. The dealer must not withdraw the goods from the stamped package until the sale is made. The stamp upon the package from which he is retailing goods is *prima-facie* evidence that the tax on such goods has been paid. The absence of such stamp is *prima-facie* evidence of the non-payment of the tax. Dealers in all cases should preserve the evidence which the stamp furnishes that the tax has been duly paid on the goods they

are selling. The presumption is, that dealers in *tax-paid* goods will do so.

Dealers in manufactured tobacco are not authorized, nor will they be allowed to cut a wooden package in two, severing the stamp, and to sell the divided portions of the package, nor to retail tobacco from such a divided package.

IMPORTED TOBACCO, SNUFF, AND CIGARS WITHDRAWN FOR CONSUMPTION.

All manufactured tobacco, snuff, and cigars, imported from foreign countries, in addition to import duties, are made liable to the same taxes as are imposed on like goods manufactured in the United States, and to have the same stamps, respectively, affixed and cancelled. Imported tobacco, snuff, and cigars are not required to have affixed to each box or other package a label and caution notice, as provided in the case of domestic manufactured tobacco, &c.

IMPORTED SCRAPS, CUTTINGS, AND CLIPPINGS.

Section 3377 of the Revised Statutes, as amended by the act of March 1, 1879, provides that "scraps, cuttings, and clippings of tobacco imported from any foreign country may, after the proper customs duty has been paid thereon, be withdrawn in bulk without the payment of the internal-revenue tax, and transferred as material directly to the factory of a manufacturer of tobacco or snuff, or of a cigar manufacturer, under such restrictions and regulations as shall be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury."

The withdrawal of such imported material from the customs warehouse, and the delivery of the same to the manufacturer, will be made under the following regulations:

1. The manufacturer will be required to furnish to the collector of customs evidence that he is a duly-authorized and legal manufacturer, and to furnish, in addition to his name or the name of his firm, the number of his factory, the State, and collection district.

2. The manufacturer will give a receipt in duplicate to the collector of customs for the scraps, cuttings, and clippings withdrawn in bulk, which receipt will state the number of cases, bales, or packages, the gross weight, tare, and net weight, and the marks upon the packages. One of these receipts will be sent to the Commissioner of Internal Revenue for his information. The manufacturer, upon the receipt of such scraps, cuttings, and clippings, will make immediately an entry of the same in his manufacturer's book, and report the purchase to his collector in his next monthly report.

Collectors will hold manufacturers to account for all such imported scraps, cuttings, and clippings—whether used as materials for cigars and cigarettes or for smoking-tobacco—as stemmed tobacco, and subject to but little if any loss or shrinkage in manufacturing. If they are sold without being further manipulated or manufactured, they must be packed and stamped as prescribed in section 3362, Revised Statutes. If they are subsequently sold without being so put up and stamped, the manufacturer making such sale will be reported by his collector to the Commissioner, on Form 23, for assessment of the tax omitted to be paid by stamps, and to the United States district attorney for prosecution for selling and removing manufactured tobacco without its being properly packed and stamped.

TOBACCO SOLD IN BULK WITHOUT THE PAYMENT OF TAX.

Section 3362, Revised Statutes, as amended by the act of March 1, 1879, provides that fine-cut shorts, the refuse of fine-cut chewing-tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe.

To carry into effect the above provisions, the Commissioner has prescribed:

1. That whenever any manufacturer of tobacco or cigars desires to sell his refuse scraps, cuttings, or sweepings of

tobacco for export to a foreign country, he will enter the same for shipment in bond under the same rules and regulations as govern the shipment and exportation of other descriptions of taxable tobacco.

2. Whenever a manufacturer desires to sell his shorts, or refuse scraps, clippings, cuttings, and sweepings of tobacco, in bulk and as material, to another manufacturer of tobacco, snuff, or cigars, to be further manipulated, manufactured, or mixed with other manufactured tobacco, he will apply to his collector for a special permit to make such a sale and transfer. In making such application the manufacturer must state the number of his factory, the kind and quantity of tobacco he wishes to so sell and remove as material, and at the same time he must give the name of the manufacturer to whom he wishes to sell, his factory number, and the district and State where his factory is located. If both the party who desires to sell and the party wishing to purchase are manufacturers of tobacco or cigars in his district, or if residing in different districts, if he is furnished with satisfactory evidence that both parties are manufacturers duly qualified, the collector may grant permits to sell without referring such applications to this Office. In all other cases the application must be made through the collector to this Office.

All such applications must be kept on file or recorded in the office of the collector, and whenever a sale is made out of the district, the collector in whose district the purchaser resides must be notified of the sale, in order that he may see that it is entered on the manufacturer's book and accounted for among his products and sales.

Scrap tobacco, the refuse of leaf from the barns of farmers and planters, or from the warehouses of dealers and reprizers in the country, which has become broken up and mutilated in handling, but which has never been in the hands of a manufacturer, may be sold in bulk as heretofore to a manufacturer or to a leaf-dealer, but it cannot be put upon the market for general sale and consumption without the payment of the tax as other scrap tobacco.

No persons other than the manufacturers of tobacco, snuff, or cigars will be allowed either to purchase or sell this description of tobacco, unless it is packed and stamped as provided by law.

PACKAGES OTHER THAN WOODEN—HOW THEY MAY BE AUTHORIZED.

Section 3362 of the Revised Statutes, as amended by the act of March 1, 1879, provides that wood, metal, paper, or other materials may be used, separately or in combination, for packing tobacco, snuff, and cigars, under such rules as the Commissioner of Internal Revenue may establish.

Any manufacturer of tobacco, snuff, or cigars wishing to avail himself of the privilege which the law thus authorizes of substituting for the wooden box now used for packing cigars, or for packing fine-cut, cavendish, plug, or twist tobacco, or of substituting instead of the bladders and jars now used for packing snuff, packages made of other materials, will be required to submit to the Commissioner samples of such packages for his approval, and if the same are of such a character as to admit of the proper marks, brands, labels, &c., being applied to them, and the stamps to be securely and permanently attached, and properly cancelled, an order will be issued authorizing their use.

STAMPING TOBACCO, SNUFF, OR CIGARS SOLD UNDER DISTRAINT, OR BY ORDER OF COURT.

Section 3369, Revised Statutes, provides: "That such stamps as may be required to stamp tobacco, snuff, or cigars, sold under distraint by any collector of internal revenue, or for stamping any tobacco, snuff, or cigars which may have been abandoned, condemned, or forfeited, and sold by order of court or of any Government officer for the benefit of the United States, may, under such rules and regulations as the Commissioner of Internal Revenue shall prescribe, be used by the collector making such sale, or furnished by a collector to a United States marshal, or to any other Government officer making such sale for the benefit of the United States, without making payment for said stamps so used or delivered; and any revenue-collector using or furnishing stamps in manner aforesaid, on presenting vouchers satisfactory to the Commissioner of Internal Revenue, shall be allowed credit for the same in settling his stamp-account with the Department: *And pro-*

vided further, That in case it shall appear that any abandoned, condemned, or forfeited tobacco, snuff, or cigars, when offered for sale, will not bring a price equal to the tax due and payable thereon, such goods shall not be sold for consumption in the United States; and upon application made to the Commissioner of Internal Revenue, he is authorized and directed to order the destruction of such tobacco, snuff, or cigars by the officer in whose custody and control the same may be at the time, and in such manner and under such regulations as the Commissioner of Internal Revenue may prescribe."

For the purpose of carrying out the above provisions of law, and by virtue of the authority therein conferred, the following rules and regulations have been prescribed:

In all cases, tobacco, snuff, or cigars, whether imported or of domestic manufacture, sold by any officer or agent of the Government for the benefit of the United States, must, before being delivered, have affixed to the packages containing the same proper internal-revenue stamps.

When abandoned, condemned, or forfeited tobacco, snuff, or cigars, are offered for sale, if such goods will not bring a price equal to the tax, viz., if tobacco or snuff, sixteen cents per pound; or, if cigars, six dollars per thousand, then the law forbids the sale to be made for consumption in the United States. Such goods may, however, be sold for export to a foreign country. In case a purchaser is found who will export the goods, then the sale may be made—the purchaser affixing the proper revenue-stamps, and, after exportation, filing his claim for drawback, under the provisions of section 3386, Revised Statutes, as amended by the act of March 1, 1879, and the regulations of the Commissioner prescribed for drawback on tax-paid tobacco, snuff, or cigars, when exported.

SALE OF TOBACCO, ETC., BY A COLLECTOR UPON DISTRAINT.

Whenever it shall become necessary for any collector of internal revenue to sell, upon distraint, tobacco, snuff, or cigars, if the same are not packed as the law requires, he will, before delivery of the goods, cause them to be packed,

marked, and branded, and, out of the proceeds of the sale, he will deduct the expense of packing, marking, and branding, &c., and also a sufficient sum to pay for the stamps required to be affixed to the packages, together with such other expenses as may be attendant upon such sale. In case the goods do not bring a sufficient sum to cover the entire expenses as thus stated, including the tax, then he will, after paying all other expenses, appropriate the balance for the purchase of stamps. Having exhausted such balance in the purchase of stamps, whatever stamps may be still required the collector will furnish, and thereupon forward to this Office an exact and detailed account of the whole transaction, giving the kind and quantity of goods sold, the sum total realized from the sale, the expenses of sale, with each separate item thereof, including packing, &c., (if the goods required packing,) the value of the stamps used for stamping the goods, and the amount and value of stamps used for which payment has not been made, and for which the collector asks that credit may be allowed him in settling his stamp-account with the Department. This account must be sworn to by the officer cognizant of the facts, whether he be the collector or one of his deputies, and forwarded to the Commissioner of Internal Revenue.

STAMPING TOBACCO, ETC., SOLD FOR THE BENEFIT OF THE UNITED STATES BY A MARSHAL OR A GOVERNMENT OFFICER OTHER THAN AN INTERNAL-REVENUE OFFICER.

Whenever any United States marshal, or other Government officer, shall require stamps for stamping tobacco, snuff, or cigars which may have been abandoned, condemned, or forfeited, and sold by order of court, or by order of any Government officer authorized to make such sale, he shall make application to the collector of the district within which the sale has been made for the proper revenue-stamps required for stamping such tobacco, snuff, or cigars.

Such application must be accompanied by a detailed statement showing the kind and quantity of goods sold,

the amount realized from the sale, and also by the original order of the court, or officer by whose order the sale was made. If the collector is satisfied that the sale was duly authorized, and was made for the benefit of the United States, and that the sum of money realized therefrom was equal to the amount of tax due and payable thereon, he will furnish the stamps, taking therefor the receipt of the officer to whom the stamps were delivered. Said receipt, together with the application, and other papers furnished him in the case, the collector will forward to the Commissioner of Internal Revenue with his request that credit be allowed him for the stamps so delivered in settling his stamp-account with the Department.

DESTRUCTION OF ABANDONED, CONDEMNED, OR FORFEITED TOBACCO, SNUFF, AND CIGARS.

Abandoned, condemned, or forfeited tobacco, snuff, or cigars, may be destroyed by order of the Commissioner whenever they will not sell for a sum of money equal to the tax due and payable thereon.

Officers of the Government having such goods in their custody which they have offered for sale, and have been unable to find purchasers who would pay for them a sum equal to the tax, and who desire permission to destroy the same, will make application therefor to the Commissioner. In making such application, they will give some history of the goods, and state by what means they have come into their custody, also the kind, quantity, (or number, if cigars,) their present condition, and what efforts have been made to sell them; and if it shall appear to the Commissioner to be for the interest of the Government that the goods shall be destroyed, he will give an order for such destruction.

SALE OF STAMPS.

Stamps for the payment of tax on tobacco, snuff, and cigars are furnished to collectors of internal revenue requiring the same.

Collectors are to keep on hand at all times a supply

equal in amount to three-months' sales of tobacco and snuff-stamps, and two-months' sales of cigar-stamps.

Collectors are authorized to sell stamps to the following parties only *in their own district:* (1,) to manufacturers who have given bonds as required by law; (2,) to owners or consignees of tobacco or snuff, or importers of cigars, upon the requisition of the proper custom-house officer; and (3) to persons required by law to affix the same to tobacco, snuff, and cigars lawfully on hand unstamped. This includes a sheriff or other officer acting under order of a State court in selling the stock of a bankrupt manufacturer.

As stamps are only intrusted to collectors for sale, and they are limited in making sales to the three classes of persons above named, and as no sale of stamps can be made for the Government for any less price than the value indicated by the denomination of the stamp, the sale of stamps by any other person than a collector is deemed to be illegal. Manufacturers and dealers are, therefore, cautioned to purchase their stamps only of collectors in their respective districts.

MANUFACTURERS CLOSING BUSINESS.

On and after May 1, 1878, all manufacturers of tobacco, snuff, and cigars will be required, on concluding business, to render closing inventories, as provided in sections 3358 and 3390, Revised Statutes of the United States; to pack and stamp all manufactured goods on hand at that time; and close up their accounts as manufacturers with their several collectors.

By renewing from year to year their special-tax stamps and keeping them posted conspicuously in their places of business; by continuing to render monthly reports of all purchases of stamps and sales or removal of goods; by keeping their places of business legal factories, and themselves legally qualified as manufacturers, though not actually engaged in manufacturing or making taxable goods, they can enjoy all the privileges the law accords to manufacturers of tobacco, snuff, and cigars, and keep their stock of goods unstamped at their factories until they are sold or removed.

REMOVALS IN BOND FOR EXPORT.

Section 3385, as amended, provides "That manufactured tobacco, snuff, and cigars intended for immediate exportation, may, after being properly inspected, marked, and branded, be removed from the manufactory in bond without having affixed thereto stamps indicating the payment of the tax thereon." It is held that the exportation of snuff and of cigarettes is authorized under this section, snuff being regarded as manufactured tobacco, and cigarettes being classed with cigars.

Section 24 of the act of February 8, 1875, provides for the exportation of tobacco and snuff (but not of cigars and cigarettes) under two bonds, one bond given by the manufacturer to the collector of internal revenue, to be cancelled upon proof of clearance and exportation; the other given by the exporter to the collector of customs, to be cancelled upon proof of landing abroad or of loss at sea.

The manufacturer desiring to export manufactured tobacco, snuff, cigars, and cigarettes, or either of them, will give notice (Part 1, Form A, Series 7, No. 8) of his intention to the collector of the district in which the manufactory is situated, who will thereupon detail an inspector of tobacco and deliver to him an order in triplicate to inspect, weigh, mark, and brand the packages and affix thereto the proper export-stamps.

It will be the duty of such inspector to examine each package carefully and see that the contents are such as the law allows; that each package containing tobacco or snuff has printed or marked thereon the manufacturer's name and place of manufacture and the registered number of the manufactory, and that the label required by section 3364, Revised Statutes, is properly affixed.

The inspector will himself ascertain the gross weight, tare, and net weight; and mark each in plain figures upon the packages, by branding or stencilling, together with his own name and title, date of inspection, and collection district.

In every case he will see that the export-stamp is affixed to each package and cancelled, unless several small packages are put in one package, in which case the ex-

port-stamp will be affixed to the outer case or cask, and the inspector will also brand or stencil upon such outer case his name and title, the date of inspection, collection district, kind of contents, and the gross weight, tare, and net weight of the whole package. The affixing and cancelling of the export-stamp will be done by the inspector at the expense of the manufacturer.

The order of the collector to the inspector in triplicate, and the report of the inspector, will be made on Parts 2 and 3 of the prescribed Form A.

The inspector, having complied with the order of the collector, will return the three copies of Form A with his certificate thereon to the collector. The manufacturer is required to pay to the collector at the time of filing his notice and entry, the sum of ten cents for each package stamped. Upon receipt of the report of the inspector, the exporter will be required to execute and deliver to the collector a bond, (on Form B of Series 7, No. 8, in case the exportation is made under section 3385, Revised Statutes, or on Form BB of Series 7, No. 8, in case the exportation is under section 24, act of February 8, 1875,) with at least two good and sufficient sureties, in a penal sum equal to double the amount of the tax on the merchandise to be exported.

Collectors must use the utmost care and scrutiny to ascertain the ample responsibility of all the signers of bonds, and when the sufficiency of the sureties is not personally known to the collector, he will require them to justify in the manner prescribed in Form 33. Collectors will observe that sureties are not to be accepted simply because they justify on Form 33. The principal object of that form is to obtain statements which the collector can and is required to investigate, in all cases, in order to determine the truth or falsity of the same; and no bond will be finally accepted until the statements in that form are found to be true.

The bond (Form B or Form BB) having been duly executed and delivered to the collector, the manufacturer will be allowed to export the goods by the vessel and over the route or routes designated in his entry, and will be required to obtain and deliver to the collector three bills

of lading, which must in every case be through-bills to the port of export or to the foreign port, and which shall bind each steam-ship, railroad, or other transportation company, and the owner or proprietor of each vessel or other conveyance transporting said goods while in their custody, and being transported by them from the place of original shipment to the place of final delivery. In case the goods are shipped under the bond, Form B, and a through-bill to the foreign port is obtained, the bill shall also specify that the goods shall be shipped to the care of the collector of customs of the port of entry at which they are laden on board of the foreign-bound vessel, or to the care of the collector of customs of the frontier port through which the goods pass into foreign territory. In all other cases the goods will be consigned directly to the collector of customs of the port of entry or frontier port, as the case may be.

Three sets of bills of lading are required for the use of the Government; one set to be filed in the office of the collector of internal revenue, one to be sent to the collector of customs to whom the goods are consigned, and the other to be forwarded to the Commissioner of Internal Revenue, together with the bonded account.

Collectors will exercise the utmost care to ascertain the responsibility of companies or owners of conveyances giving such bills of lading.

The bond (Form B) having been duly executed and delivered to the collector, he will forward two copies of Form A to the collector of customs, and will deliver to the applicant a permit, endorsed on the other copy of Form A.

Upon arrival of the merchandise at the port of entry, the collector of customs, or his deputy, will endorse on one of the copies of Form A, received by him, an order for examination and shipment, Part 6 of Form A, and will deliver it to the surveyor, who will direct the proper officer to examine and ascertain the quantity, marks, and proper description of the merchandise, and mark with some appropriate device of appendage each article or package thereof, and superintend the lading of the same on board the vessel in which it is to be exported.

In case the packages appear to have been broken or tampered with, the merchandise will be weighed and a special report of the actual contents made.

As soon as the shipment shall be completed the inspector will make a full report thereof, Part 7 of Form A, on the copy of Form A in his possession, to the collector.

Upon the receipt of Form A, with the return of lading endorsed thereon, and after the clearing of the vessel or other conveyance having the merchandise on board, the collector of customs will transmit without delay to the collector of internal revenue the other copy of Form A in his possession, with a clearance certificate endorsed thereon.

PROOF REQUIRED FOR THE DISCHARGE OF EXPORT-BONDS.

For the discharge of export-bonds (Form B or Form EE) the exporter must produce and deliver to the proper collector, unless the goods are lost at sea, within the time limited in each bond, a landing certificate embracing evidence of the landing of the merchandise in some foreign country of such a character as is required in Series 7, No. 8, pages 66, 67, 68 and 69. (For proofs required in case of loss at sea, see pages 69 and 70, Series 7, No. 8.)

TIME ALLOWED FOR PRESENTING PROOF.

The time named in the bond for the production of the landing certificate must not exceed sixty days if the exportation is to the Dominion of Canada, to any of the British North American provinces, or to any of the West India Islands, or to the Gulf, Atlantic, and frontier ports in Mexico, or to Atlantic ports in Central America, and to Atlantic ports north of the Equator in South America. If to any place other than those above mentioned, not beyond the Cape of Good Hope, the time not to exceed nine months; and if beyond the Cape of Good Hope it must not exceed eighteen months. If in any case circumstances beyond the control of the exporter or his agents should render necessary longer periods than those specified in the bond, an extension may be obtained by a presentation

of the facts through the collector to the Commissioner of Internal Revenue.

The act of February 8, 1875, authorizing the removal of tobacco for export under a *transportation*-bond and its clearance under an *exportation*-bond, provides that a manufacturer of tobacco desiring to withdraw the same from his factory for exportation under existing laws, may, at his option, in lieu of executing an export-bond, give a transportation-bond, with sufficient sureties and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, conditioned for the due delivery thereof on board ship at port of exportation to be named therein; and provides that the owner or exporter may export such tobacco under an export-entry and bond, with sufficient sureties, to be given to the collector of customs, on condition that the tobacco shall be exported as specified in the entry to some port without the jurisdiction of the United States.

For regulations and instructions relating to exportation of tobacco under section 3385, Revised Statutes, and under section 24, act of February 8, 1875, see Series 7, No. 8, pages 50 to 72, inclusive.

DRAWBACK.

For regulations in regard to the exportation of manufactured tobacco, snuff, and cigars, upon which the internal-revenue tax has been paid, with the privilege of drawback, as provided by section 3386, Revised Statutes, see Series 7, No. 8, pages 80 to 90, inclusive.

TOBACCO INSPECTORS.

Section 3151, Revised Statutes, provides that there shall be appointed by the Secretary of the Treasury, in every collection district where they may be necessary, one or more inspectors of tobacco and cigars, who shall take an oath faithfully to perform their duties in such form as the Commissioner of Internal Revenue may prescribe, and shall be entitled to receive such fees as he may prescribe,

to be paid by the owner or manufacturer of the articles inspected. Such inspectors shall be required to give bonds, with security approved by the Secretary of the Treasury, or collector of the district, in a sum not less than five thousand dollars, conditioned for the faithful discharge of the duties of such inspector.

Tobacco inspectors are assigned to duty by the Commissioner of Internal Revenue under the direction of collectors, and may by the Commissioner be transferred from one place of duty to another or from one collection district to another.

Inspectors will not be required to inspect tobacco, snuff, or cigars when the proper tax-paid stamps are affixed to the packages and duly cancelled before removal from the manufactory. This limits the duties of inspectors exclusively to the inspection and transfer of bonded goods or articles that are to be bonded.

It is the duty of inspectors to carefully examine each package containing manufactured tobacco or cigars intended for export, and to see that the contents are such as the law allows, and that each package containing tobacco or snuff has printed or marked thereon the manufacturer's name, place of manufacture, and the registered number of the factory, and that the label required by section 3364 is properly affixed.

He must himself ascertain the gross weight, tare, and net weight, and mark the same in plain figures on the packages by branding or stencilling, together with his own name and title, date of inspection, and collection district.

He must also by his own hands affix and cancel the export-stamps. In case several small packages are put up in one large package, he will affix the export-stamp, and place all marks and brands required upon the outer case or cask.

The fees of tobacco inspectors are paid by the manufacturer or owner of the tobacco inspected, and are fixed by the Commissioner of Internal Revenue; and, unless otherwise specially prescribed, the inspector is entitled to ten cents for each hundred pounds of tobacco or snuff inspected, twenty cents per thousand for inspecting cigars and cigarettes taxable at $6 per pound, and three cents

per thousand for inspecting cigarettes taxable at $1 75 per pound.

Inspectors of tobacco and cigars are required to render a monthly report of inspection on Form 120. They must also send a monthly report to the Commissioner on Form 57 of the entire amount of fees received during the month.

TOBACCO AND SNUFF.

Agents should frequently visit tobacco-factories, and carefully examine the accounts of the manufacturers, noting the quantity of leaf purchased and used, the quantity of manufactured tobacco reported removed for sale or consumption, and the quantity on hand. They should compare this account with the records in the collector's office, particularly noticing any discrepancy in the stamp-account. They should also examine, if accessible, the books of leaf-dealers from whom purchases are made, and, in cases of grave suspicion, procure the statement of the farmer or planter, when purchases are claimed to have been made in that way. They should also examine the books and bills of shipments by railroad and other means of transportation, to see if more tobacco has been shipped by the manufacturer than is recorded upon his books.

Tobacco in the hands of dealers, or found *in transitu*, should be examined to ascertain if the stamps covering it are genuine. By careful and frequent observation of the appearance of stamps properly affixed and cancelled, agents will soon be able to detect a reused stamp. The indenture made by the cancelling instrument will usually disclose the fact. The perforations will be imperfect, that portion of the stamp cut by the die will generally be wanting, and the indentures filled by the parts of another stamp.

When stamps supposed to be reused are found on packages, the stub-books in the collector's office should be examined to ascertain when and to whom the stamps in question were issued. If the record of the collector's office does not furnish sufficient information to determine the genuineness of the stamps, a report, embracing a description of the stamps, should at once be made to the Com-

missioner of Internal Revenue. In examining tobacco-factories care must be taken to ascertain if the packages representing the stock on hand actually contain tobacco, as reported.

MANUFACTURERS OF TOBACCO OR SNUFF.

Manufacturers of tobacco or snuff are required to pay a special tax of ten dollars.

"Every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, crushing, or rubbing of any raw or leaf tobacco, or *otherwise preparing raw or leaf tobacco*, or manufactured or partially-manufactured tobacco or snuff, or the putting up for use or consumption of scraps, waste, clippings, stems, or deposits of tobacco, resulting from any process of handling tobacco, or by the working or preparation of leaf tobacco, tobacco-stems, scraps, clippings, or waste, by sifting, twisting, screening, or any other process, shall be regarded as a manufacturer of tobacco."—(Sec. 3244, Revised Statutes, cl. 9.)

Every manufacturer of tobacco, before commencing business, is required to procure a special-tax stamp, which he is to place and keep conspicuously in his establishment or place of business; and on the 1st day of May in each year a new special-tax stamp must be purchased and posted as above.—(Secs. 3233, 3237, and 3239, Revised Statutes.)

MANUFACTURER'S BOND AND STATEMENT.

Any person manufacturing tobacco or snuff of any description without first giving bond (Form 40) in accordance with the provisions of section 3355 of the Revised Statutes, as amended by the act of March 1, 1879, shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one year nor more than five years.

By the same section it is made the duty of every manufacturer of tobacco, without previous demand therefor, to

furnish, in duplicate, to the collector, (which may be delivered through the deputy collector,) a statement, (Form 36,) accurately setting forth the place where his manufacture is carried on, the number and kind of machines, &c., kept for use, the kind and quality of his products, &c.; and also to immediately give notice to the collector of his district whenever he shall add to the number of cutting machines, presses, snuff-mills, hand-mills, or other mills or other mills or machines. Every collector will see that these statements are properly furnished, as from them he will rely, in a large measure, for data in determining whether the bonds offered by manufacturers are in conformity with the provisions of law.

Before approving any bond the collector should require affidavits of the sureties, to be made on Form 33, and filed in his office with the bond. The penal sum of the bond of any manufacturer of tobacco or snuff is fixed by law at a minimum of two thousand dollars, and a maximum of twenty thousand dollars.

The penal sum of the tobacco-manufacturer's bond, within these limits, is to be fixed by the collector of the district, with right of appeal, with respect to the amount of said bond, by the manufacturer to the Commissioner of Internal Revenue.

It is not deemed necessary that new bonds shall be given by reason of the amendatory act of March 1, 1879, where bonds have already been filed with collectors by manufacturers who were in operation at the time, and where the sureties are deemed to be good and sufficient.

In computing and fixing the penal sum of a tobacco-manufacturer's bond according to the quantum of business, it is necessary to adopt some rule, that there may be uniformity throughout the country. It is suggested that, subject to the discretion of collectors in exceptional cases, the present rule of adding to the minimum amount proposed by law a certain sum for each cutting-machine, screw-press, hydraulic-press, snuff-mill, or other mill or machine, reported on Form 36, until the maximum sum of twenty thousand dollars is reached, shall still be continued as the rule to guide collectors in fixing the penal sum of the bond, as provided in amended section 3355, Revised Statutes.

The rule above referred to, is to fix the minimum of the penal sum at $2,000, to be increased as follows:

For each cutting-machine kept for use	$3,000
For each screw-press used for plug or pressed tobacco	1,000
For each hydraulic press kept for use	5,000
For each snuff-mill kept for use	1,000
For each hand or other mill, machine, &c	1,000

Where no changes are made requiring new bonds, and where the sureties are deemed to be good and sufficient, the same bonds may be continued from year to year without renewal.

But collectors should, as often, at least, as once a year, re-examine such bonds, and assure themselves of the continued responsibility of the sureties.

MANUFACTURER'S SIGN AND COLLECTOR'S CERTIFICATE.

The collector is required to issue to the manufacturer a certificate, (Form 41,) setting forth the kind and number of machines, presses, &c., for which the bond has been given, which certificate must be posted in a conspicuous place in the factory.

Every manufacturer of tobacco and snuff is required to keep on the side or end of the building where his business is carried on a sign, painted in oil-colors or gilded, giving his full name and business, (section 3356, Revised Statutes,) and also posted in a conspicuous place within his manufactory, a certificate (Form 41) obtained from the collector of his district, setting forth the kind and number of machines, presses, snuff-mills, hand-mills, or other mills or machines kept for use in making tobacco and snuff.

Every tobacco manufacturer who neglects or refuses to obtain the collector's certificate, or to keep the same posted in a conspicuous place within his manufactory, shall be fined not less than one hundred dollars nor more than five hundred dollars; and every person who manufactures tobacco or snuff of any description without first giving bond is liable to be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one nor more than five years.—(Section 3355 of the Revised Statutes, as amended by the act of March 1, 1879.)

Any person neglecting to place and keep a sign as aforesaid, on the building where he manufactures tobacco and snuff, is liable to be fined not less than one hundred dollars nor more than five hundred dollars.—(Section 3356, Revised Statutes.)

TOBACCO-FACTORIES TO BE NUMBERED AND RECORDS OF THEM KEPT.

Section 3357, Revised Statutes, makes it the duty of the collectors to cause the several manufactories of tobacco or snuff in their respective districts to be numbered consecutively. These numbers attach to the factories or buildings, and not to the manufacturers, and when a number has been once given to a factory it is not to be changed.

Every deputy collector, except where otherwise provided, will keep a record in a book of the name and residence of every person engaged in the manufacture of tobacco or snuff in his division, the place where such manufacture is carried on, and the number of the manufactory. In this book he will enter, under the name of each manufacturer, all inventories required by law to be made by tobacco manufacturers, and abstracts of all monthly returns, &c. Each collector is required to keep a similar record for his district. These records should be made so complete that any information relating to the manufacture of tobacco and snuff in any collection district may readily be obtained from the collector's office.

Collectors should require their deputies, as often as once every month, to make a personal and careful inspection of every tobacco and cigar manufactory in their divisions, and report the condition of each, what changes, if any, have been made in machinery or number of men, which factories are running on full time and employing their entire productive force, which factories are complying with all the requirements of the law, and which are not, and in what particulars they are uot. Since tobacco inspectors are in a great measure dispensed with under the present law, it becomes indispensably necessary that deputy collectors should perform this duty, and keep a constant oversight of the tobacco and cigar manufactories in their respective divisions.

Manufacturers of tobacco, who are also dealers in leaf and manufactured tobacco, are not allowed, as dealers, to occupy portions of their bonded factory premises for storing, selling, and delivering such tobacco. For such business there must be a store or sales-room separate and distinct from the factory. Neither can he, within the bonded premises of a tobacco manufacturer, do business as a cigar manufacturer.

REMOVAL OF TOBACCO-FACTORY.

Every manufacturer of tobacco or snuff, before changing the location of his factory, will be required to furnish to his collector a new statement, file a new bond, have his special-tax stamp reregistered, obtain a new certificate from his collector, and file a closing inventory. In case, however, no change in the penal sum of the bond is made necessary, and the sureties upon the manufacturer's bond already given are deemed to be good and ample, and the makers endorse upon the bond their assent to the removal and their willingness to be bound in the new location, as if no change thereof had been made, the collector may allow the old bond to continue, and may also dispense with the closing inventory.

MANUFACTURERS OF TOBACCO OR SNUFF TO KEEP BOOKS.

Section 3358, Revised Statutes, provides that every person engaged in the manufacture of tobacco or snuff shall keep a book or books, the forms of which shall be prescribed by the Commissioner of Internal Revenue, and enter therein daily an accurate account of all the articles aforesaid purchased by him, the quantity of tobacco, snuff, and snuff-flour, stems, scraps, clippings, waste, tin-foil, licorice, sugar, gum, and other materials, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture in bond, and to what district removed; also the number of net pounds of lumps of plug tobacco made in the lump-room, and the number of packages and pounds thereof produced in the press-room each day. Form 74 is the prescribed form for tobacco-manufacturer's book.

MONTHLY RETURNS.

On or before the tenth day of each and every month, manufacturers of tobacco and snuff must make returns of all purchases, sales, and removals of tobacco, &c., as required by section 3358, Revised Statutes. These returns are to be made on Form 62, and must be verified by oath or affirmation.

INVENTORIES.

Attention is also called to the inventory (Form 70) required by section 3358, Revised Statutes, of every person now or hereafter engaged in the manufacture of tobacco and snuff. These inventories are to be made on the 1st day of January by all who are now engaged in the business, or at the time of commencing, and at the time of concluding business, if before or after the 1st of January. And whenever such an inventory is received by a deputy collector, he will immediately make a personal examination of the stock, sufficient to satisfy himself of the correctness of the inventory.

RATE OF TAX ON MANUFACTURED TOBACCO.

By the amendatory act of March 1, 1879, a uniform rate of 16 cents per pound is, on and after the 1st day of May, 1879, imposed upon all manufactured tobacco. This tax is to be levied and collected upon tobacco and snuff manufactured and sold, or removed for consumption or use, and includes:

1. Section 14 of the act of March 1, 1879, provides that on and after the 1st day of May, 1879, all snuff manufactured of tobacco or any substitute for tobacco—ground, dry, damp, pickled, scented, or otherwise—of all descriptions, when prepared for use, shall be taxed 16 cents a pound. Section 3368, Revised Statutes, provides that snuff-flour, when sold or removed for use or consumption, shall be taxed as snuff, and shall be put up in packages and stamped in the same manner as snuff.

2. On all chewing and smoking-tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every de-

scription; on tobacco twisted by hand, or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco.

3. Snuff-flour not prepared for use, but which needs to be subjected to further processes of sifting, pickling, scenting, or otherwise, before it is in a condition fit for use or consumption, may be sold by the snuff-grinder in bulk, and without the payment of the tax. Such sales, however, and removal of snuff-flour, can only be made upon a special permit. A collector is authorized to issue a permit upon application made to him, if satisfactory evidence is furnished that the purchaser is a duly authorized manufacturer, and has given bond and paid special tax as a tobacco manufacturer. All applications made to a collector by a snuff-grinder, which are not accompanied with full and satisfactory evidence that the purchaser is an authorized manufacturer, will be immediately referred to the Commissioner.

4. All snuff-flour sold by any manufacturer of snuff or snuff-grinder in bulk without a special permit, as hereinbefore stated, will be deemed and held to have been sold or removed for use or consumption, and collectors will report all such sales to the Commissioner on Form 23 for assessment.

MANUFACTURED TOBACCO DEFINED.

As the law requires that all manufactured tobacco hereafter shall be put up in packages of certain descriptions and limitations, and as the tax is imposed only upon manufactured tobacco and not upon raw or leaf tobacco, it is important to determine what is "manufactured tobacco," within the meaning of this law. The Revised Statutes, as amended, impose a tax of 16 cents per pound on all tobacco twisted by hand, or reduced from leaf, into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consump

tion, even if prepared without the use of any machine or instrument, and without being pressed or sweetened.

The law does not require that there shall be any radical change in the natural leaf, or any extended mode of preparation, or any process of reduction which cannot be performed by hand, and without the aid of any machine or instrument. Therefore all tobacco twisted by hand, or prepared by any process, however simple, for consumption or use, must be packed as prescribed by law for manufactured tobacco, and the tax of 16 cents per pound paid thereon.

The law imposes "on all refuse scraps, clippings, cuttings, and sweepings of tobacco a tax of 16 cents per pound." Therefore all scraps, waste, clippings, &c., put up for general sale and thrown upon the market for indiscriminate purchasers, for use or consumption, will be regarded as manufactured tobacco within the meaning and intent of the law, and will be required to be packed as therein described, and the tax of 16 cents per pound paid thereon. And any person purchasing scraps, waste, clippings, stems, sweepings, or broken and fragmentary tobacco, and manipulating the same by any process of cutting, pressing, grinding, crushing, rubbing, screening or any other process, or putting up the same for use or consumption, will be held to be a manufacturer of tobacco, and liable both to the special tax and to the specific tax. And any person who purchases raw or leaf tobacco and in any way changes its condition, and puts it up for use or consumption, will be held liable to both of the taxes named above.

LAWFUL PACKAGES OF TOBACCO AND SNUFF.

Section 3362, Revised Statutes, as amended by the act of March 1, 1879, requires all manufactured tobacco and snuff to be put up and prepared by the manufacturer for sale or consumption in packages of the following descriptions, and in no other manner, viz:

1. Cavendish, plug, and twist tobacco, in wooden packages not exceeding 200 pounds net weight.
2. All fine-cut chewing-tobacco, in packages containing

one, two, three, four, eight, and sixteen ounces, or in wooden packages containing ten, twenty, forty, and sixty pounds each.

3. All smoking-tobacco, and all cut and granulated tobacco, other than fine-cut chewing, all shorts, the refuse of fine-cut chewing, which have passed through a riddle of thirty-six meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, in packages containing two, three, four, eight, and sixteen ounces each.

4. All snuff in packages containing one-half, one, two, three, four, six, eight, and sixteen ounces; or in bladders and jars not exceeding twenty pounds each.

5. All kinds of tobacco not otherwise provided for, in packages containing one, two, three, four, eight, and sixteen ounces each.

It has been the practice with some manufacturers to pack in bulk, varieties of cut tobacco, under various names, denominated in most instances chewing-tobacco, which was essentially smoking-tobacco. All cut and granulated tobacco, other than fine-cut chewing, must be packed only in packages provided for and prescribed by law, viz., a package of the capacity of two, three, four, eight, or sixteen ounces. Whatever tobacco was at the time of the passage of the act of July 20, 1868, known as fine-cut chewing may be packed in the wooden packages of ten, twenty, forty, and sixty pounds each, provided for in that act. All other kinds and descriptions of cut tobacco, however used, and under whatever name sold, are excluded from this privilege.

HOW FINE-CUT SHORTS ARE TO BE PACKED.

Fine-cut shorts, the refuse of fine-cut chewing-tobacco, may be sold in bulk, like scraps, clippings, &c., by one manufacturer of tobacco to another; but when put up for general sale and consumption, they must be packed in two, three, four, eight, and sixteen-ounce packages, and stamped like other small packages of tobacco. The law does not authorize the packing of shorts in ten, twenty, forty, and sixty-pound packages, the same as fine-cut

chewing. Revenue officers, in their several districts, will see that manufacturers strictly comply with the law and regulations in packing this and all other kinds of tobacco.

PERIQUE TOBACCO—HOW IT MAY BE PUT UP.

By reason of the peculiar and exceptional mode adopted by planters in curing, preparing, and manufacturing this class of smoking-tobacco, to wit, in carots of from three to five pounds, more or less, it has not heretofore been required to be put up in packages of not exceeding sixteen ounces each and stamped as other smoking-tobacco, but on the contrary, it has been the custom of the planters to pack the same in barrels and boxes containing from twelve to fifty carots each, more or less, and affix the stamps to the barrels or boxes. Receivers of these stamped boxes and barrels open the same, and sell therefrom any number of carots or pounds, and deliver the same to the purchaser to be resold without stamps, or any evidence that the tax has been paid, except, perhaps, a certificate from the seller that the carots were taken from a stamped package. Such evidence, in the absence of the proper stamp, is not sufficient to satisfy the Government, nor does it give to the dealer the right to sell such tobacco at retail, the law expressly providing that all sales in quantities less than an original package shall be made only from a stamped package.

Hereafter manufactures of Perique tobacco will be required to conform to the law, and pack this class of smoking-tobacco in packages of two, three, four, eight, or sixteen ounces each, and affix thereto the proper stamp, or, if that is impracticable, to enclose each carot in a suitable wrapper, and affix a stamp or stamps in value equal to the tax computed at the rate of sixteen cents a pound, or one cent for every ounce of tobacco contained in the carot or in the package. These stamps will be cancelled in the same manner as is prescribed for the cancellation of stamps on other packages containing smoking-tobacco, and will be required to have a label affixed, giving the name of the manufacturer or proprietor, the district and State, number of factory, and the usual caution notice.

LABELS FOR TOBACCO AND SNUFF.

Upon every package of tobacco or snuff, whether put up in wooden packages or otherwise, the law requires (section 3364, Revised Statutes) that there shall be printed or securely affixed, by pasting thereon, a label, on which shall be printed the proprietor's or manufacturer's name, the number of the manufactory, and the district and State in which it is situated, together with the following notice:

"NOTICE.—The manufacturer of this tobacco has complied with all the requirements of law. Every person is cautioned, under the penalties of law, not to use this package for tobacco again."

The label on which the above notice is to be printed is required to be not less than four and not more than six inches long, and not less than two and one-half inches in width, and to contain, in addition to the caution notice prescribed in section 3364, Revised Statutes, respectively, the following facts, printed in plain, open, and legible letters, viz: (1) the manufacturer's or proprietor's name, (2) the number of the manufactory, (3) the collection district, and (4) the State. These labels will be in the following form, viz:

(FORM U.)

FOR TOBACCO AND SNUFF.

A——— B———, *Manufacturer*

Factory, No. ——, —— *District, State of* ———.

NOTICE.—The manufacturer of this tobacco has complied with all the requirements of law. Every person is cautioned, under the penalties of law, not to use this package for tobacco again.

PROPRIETOR'S NAME—WHEN TO BE USED ON LABELS.

The law permits the proprietor's name to be printed upon these labels, instead of the manufacturer's. This, however, will only be allowed in those cases where the

person claiming to be the proprietor is the owner of the factory, or has a legal right or title to the particular brand of goods manufactured, or where the tobacco, snuff, or cigars are made expressly for the person claiming such proprietorship. In either case the labels must be affixed before the goods are removed from the place of manufacture, and, when once so affixed, they cannot be removed, or any other substituted therefor.

PRINTING OR MARKING ON CERTAIN BULK PACKAGES OF TOBACCO.

Section 3362 of the Revised Statutes, as amended, provides that wooden packages, or approved substitutes for wooden packages, used for packing cavendish, plug, and twist tobaccos, and for fine-cut chewing-tobacco, put up in ten, twenty, forty, or sixty pounds, shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package. The printing or marking, as above, will be required on all bulk packages where metal, paper, or other materials are used instead of wood, either separately, or in combination, for tobacco packages. *In no case is a proprietor's name to be printed or marked on the box.*

Section 3364 authorizes the printing of a proprietor's name *on the label or caution notice only*, but there it can legally be used only in those cases where the person claiming to be the proprietor is the owner of the factory, or has a legal right or title to the particular brand of goods manufactured, or where the tobacco, snuff, or cigars are made expressly for the person claiming such proprietorship. Revenue officers are particularly requested to enforce upon all manufacturers in their several districts the observance of these requirements of the law, that uniformity in practice throughout the country may prevail, and that dealers and others handling manufactured tobacco may be saved from the annoyance and trouble of having their goods seized or detained for want of compliance with this positive provision of law.

WHERE THE LABELS ARE TO BE AFFIXED.

The labels must be affixed to the package in a conspicuous place, where they will be exposed as little as possible to be worn or rubbed off, and in a manner so as not to be covered up or concealed by any other labels or marks, and so as not to conceal by them any other marks or brands required by law to be placed upon the package.

LABELS FOR SMALL PACKAGES.

A separate and distinct label will not be required on packages of tobacco and snuff containing sixteen ounces or less, provided the manufacturer shall cause to be printed on each such package his name, or the proprietor's name, and the number of his factory, collection district, and State, together with the caution notice, as required in section 3364, Revised Statutes, in a clear, legible manner, where it will not be covered up by the stamp, or otherwise obscured or concealed.

STAMPS FOR TAX ON TOBACCO AND SNUFF.

Section 3369, Revised Statutes, provides that the Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps for payment of the tax on tobacco and snuff.

Such stamps have been prepared, and tobacco and snuff of all descriptions, not only that manufactured and removed from the manufactory or place where made subsequent to the passage of the act of July 20, 1868, but all stock on hand, manufactured or imported, prior to said date, and all imported tobacco and snuff from foreign countries, before being withdrawn from an export bonded warehouse, or sold or offered for sale under any circumstances, must be packed and stamped.

There is no exception to this rule or requirement in regard to sales made by a manufacturer at the place of manufacture, or withdrawals of imported manufactured tobacco from a customs bonded warehouse for sale.

DENOMINATION AND CLASS OF STAMPS.

Section 3446, Revised Statutes United States, as amended by the act of March 1, 1879, authorizes the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to establish and from time to time alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue; and to prescribe how such stamps shall be attached, protected, removed, cancelled, obliterated, and destroyed, and to make all needful regulations relating thereto.

By virtue of the authority thus granted, the following denominations of stamps for tobacco and snuff have been prepared, and their use prescribed.

STAMPS FOR TOBACCO.

1. Strip-stamps, issued in sheets, of the denominations of one, two, three, four, eight, and sixteen ounces. These stamps can be used on all legal packages of cut and granulated tobacco, shorts, clippings, cuttings, and sweepings.

2. Stamps, issued in sheets, of the denominations of one-half, one, two, three, four, and five pounds. These stamps can be used only on cavendish, plug, and twist tobacco.

3. Registered stamps, issued in books, of the denominations of ten, twenty, thirty, forty, fifty, and sixty pounds. These stamps are to be used on cavendish, plug, and twist tobacco, and the ten, twenty, forty, and sixty-pound stamps, without the coupons, on packages of fine-cut chewing-tobacco.

4. A registered stamp, issued in books, for tobacco and snuff intended for export.

STAMPS FOR SNUFF.

Stamps, issued in sheets, of the denominations of one-half, one, two, three, four, six, eight, and sixteen ounces, and registered stamps, in books, without coupons, of the denominations of ten and twenty pounds.

Stamps for snuff must never be used on packages of tobacco, and *vice versa*.

STAMPED-FOIL AND PAPER WRAPPERS.

In addition to the above-described stamps, contracts have been made for printing stamps upon tin-foil wrappers, and one, two, four, eight, and sixteen-ounce stamps upon paper wrappers.

It is proposed to discontinue the issuing of stamps upon paper wrappers at an early date.

STAMPS—HOW TO BE USED.

In the preparation of suitable stamps manufacturers of tobacco have been freely consulted, and to "indicate the weight" such denominations have been decided upon as would enable manufacturers in most cases to cover the amount of tax due on the package by a single stamp.

All packages of tobacco and snuff containing ten pounds or upwards should have affixed a registered stamp, and the stamp must be of a denomination corresponding with the net weight of the package when the net weight of the package is an even number of pounds, and when such package can be fully covered by a single stamp. If the net weight of the package is such that no single stamp will suffice for the payment of the tax due thereon, then the manufacturer will affix a stamp of that denomination which approaches nearest to the net weight of the package, and affix one, and, if necessary, more smaller stamps to fill up the complement and cover the amount of tax due.

For example, packages containing from ten to sixty-nine pounds can be and should be covered by a single stamp, by using coupon stamps when the weight of the package is neither ten pounds nor a multiple of ten.

Upon packages containing more than sixty-nine pounds, one or more smaller stamps, sufficient to cover the amount of tax due, must be affixed in addition to the larger stamp. A seventy-pound package can be covered by a sixty and a ten-pound registered stamp, an eighty-pound package with a sixty and a twenty-pound stamp, and, in like manner, it is believed that almost every package in use which does not contain a fraction can be covered by at least two stamps.

MODE OF AFFIXING STAMP.

Under the authority of sections 3369 and 3446, Revised Statutes, it has been prescribed that stamps shall be affixed to packages of tobacco, snuff, and cigars in the following manner, viz:

1. Upon all kegs, drums, pails, half-barrels, and barrels of fine-cut chewing-tobacco the stamp shall be placed across the staves, and be attached to as many staves as possible between the first and second tier of hoops.

2. Upon ten or twenty-pound boxes of fine-cut chewing, and upon all boxes and caddies of plug or other descriptions of chewing-tobacco, the stamp shall be affixed over one corner or angle of the box or caddy, at equal distances from each end, attaching about equally to each side. And upon all such packages a groove one-eighth of an inch deep shall be made to admit the stamp and prevent its being torn or rubbed off by transportation. If two serial stamps are used upon the same box, the second stamp shall be affixed in the same manner, only placed on opposite sides of the box.

3. Strip-stamps, whether used for packages of smoking-tobacco, fine-cut chewing, snuff, or cigars, must be so attached as to effectually seal the package and render it impossible to open the same or remove its contents without destroying or breaking the stamps.

4. The small stamps for cut tobacco and snuff must in like manner be so placed upon the package as to insure if possible the destruction of the stamp upon opening the package.

The stamps are to be affixed to the packages by using an adhesive material that will cause them to stick to the wood, paper, or other package securely and permanently.

After the stamps on wooden packages have become dry, and the cancellation made as hereinafter described, they must be twice varnished over, thoroughly, allowing a short interval for the first coating to set, but not so as to obscure or obliterate the impressions upon the stamp.

RECIPES FOR PASTE AND VARNISH.

The following recipes for cheap and practical paste and varnish, furnished to this Office by a manufacturer who has fully tested them, have been prescribed for use:

For paste: dissolve one pound of gum arabic in one and three-fourths pints of boiling water, add from two to four ounces of acetic acid, and keep it corked when not in use. Apply evenly with a small brush to the stamp, or notice, and press it firmly upon the wood with a clean piece of white paper between the stamp and the hand.

For varnish: place in a bottle of sufficient size one-half pound of bleached gum shellac, broken fine, and add strong alcohol. Shake occasionally until entirely dissolved, and keep it corked to prevent evaporation. Should the varnish at any time become too thick, add a small quantity of alcohol.

MODE OF CANCELLATION.

By virtue of the authority conferred by sections 3369 and 3446, Revised Statutes, the following mode of cancellation for all stamps used for payment of the tax on tobacco and snuff has been prescribed:

1. The small stamps for cut tobacco and snuff, in packages of one ounce and two ounces, and the stamped-foil and paper wrappers must be cancelled by writing or imprinting upon each stamp the initials of the manufacturer's name, and the date of cancellation.

2. Other strip-stamps for tobacco and snuff will be cancelled in the same manner, and, in addition thereto, each strip-stamp must be so affixed on the package that in opening the same, or using the contents thereof, the stamp shall be effectually destroyed or broken.

3. Stamps for fine-cut chewing-tobacco in ten, twenty, forty, and sixty-pound packages, and stamps for cavendish, plug, and twist, including all the registered stamps with serial numbers, will be cancelled by the manufacturer writing his name upon the stamp in the blank space left for that purpose, (or by affixing such name by a hand-stamp, when special permit to use such hand-stamp has been or

may be granted by the Commissioner,) and also by writing the date when the stamp was applied or used, in addition to the cancellation prescribed in the statute, to wit, sinking a portion of the stamp into the wood with a steel die.

For the effectual cancellation of all stamps on packages of ounces, the Commissioner relies mainly upon their being so affixed to the packages as to render it impracticable to remove them entire, or to permit the contents of the package to be withdrawn without destroying the stamp.

The strip-stamps for cut and smoking-tobacco are made sufficiently long to pass over both ends of the package and turn the opposite angles, thus effectually sealing the package, and they must be so affixed; and when applied to bags which only open at one end, they must be affixed so as to effectually close that end.

CANCELLING-DIES.

By virtue of the authority conferred by section 3445 of the Revised Statutes, the Commissioner will furnish steel dies for the cancellation of all stamps used on wooden packages, or packages made partly of wood and partly of other materials, containing tobacco. These dies will be forwarded to the several collectors of internal revenue, and will be loaned by them to manufacturers of tobacco upon application therefor.

The law makes it imperative upon every manufacturer of tobacco putting up his tobacco in packages as heretofore described to use this die, and no stamps on such packages will be regarded as properly cancelled, and the packages will be liable to seizure, whenever found, unless the stamps are cancelled with a Government die, and in the manner hereinafter named, to wit, the stamp must be so cancelled that a portion of every stamp shall be *driven into* and *lodged within the wood* of the package.

In effecting such cancellation, the die will be required *to be applied twice to every stamp upon the package*, once in the place on the stamp marked "reserved for cancellation," and a second time over and upon the vignette of the stamp.

The importance to be attached to a proper cancellation of all stamps is shown by the severe fines and penalties imposed upon any person who shall remove from any manufactory, or place where tobacco, snuff, or cigars are made, any such goods without stamps affixed and properly cancelled, and also the fines and penalties imposed upon any person who shall sell, or offer for sale, or have in his possession any tobacco, snuff, or cigars the stamps upon which are *not properly cancelled.* The law demands a proper cancellation, and says the Commissioner shall prescribe the mode. When, therefore, the Commissioner has prescribed such a mode, it has all the force and authority of law, and no person is at liberty to disregard such prescribed mode, or substitute some other therefor. The interest of the Government, and the safety and protection of all who deal in tobacco, snuff, or cigars, require that manufacturers should properly affix and cancel all stamps. And local revenue officers of every grade will see that these regulations, in this respect particularly, shall be enforced, as heretofore gross and palpable neglect to properly cancel stamps has prevailed throughout the country.

WHO ARE TO AFFIX AND CANCEL STAMPS.

When stamps are affixed and cancelled before removal of the packages from the manufactory, the work of affixing and cancelling must be done or caused to be done by the manufacturer.

When tobacco or snuff in bond is to be withdrawn from a customs bonded warehouse, after the tax has been paid thereon, the proper stamps must be affixed and cancelled under the supervision of the storekeeper.

Every package of tobacco or snuff put up by a manufacturer, before it is sold or removed from the place of manufacture for sale or consumption, must have on it the marks, the brands, the label or caution notice, and a proper stamp for the amount of tax due thereon. (Section 3362, Revised Statutes, as amended by the act of March 1, 1879, and sections 3364 and 3369, Revised Statutes.)

The absence of a proper stamp, on any package of man-

ufactured tobacco or snuff, renders such package liable to seizure and forfeiture.—(Section 3373, Revised Statutes.)

A proper stamp is not only a genuine stamp, which has never been used for the payment of the tax on any other package, but it must be of a suitable denomination and of a value sufficient to pay the tax upon the tobacco contained in the package.

REUSE OF TOBACCO-STAMPS.

The reuse of tobacco-stamps has been so much resorted to, in some parts of the country, by dishonest persons, for the purpose of defrauding the revenue, that the manner of affixing and cancelling them has become a matter of much importance. It is known that such stamps have been affixed and cancelled with a design to their removal without defacing them. The attention of agents is particularly called to this practice, and they are enjoined to carefully examine stamped packages of manufactured tobacco to see if the stamps are so securely affixed and cancelled that they cannot be removed in a condition for reuse.

DESTRUCTION OF THE STAMPS ON PACKAGES WHEN EMPTIED.

Section 3376, Revised Statutes, makes it the duty of every person who empties any stamped box, bag, vessel, wrapper, or envelope of any kind containing tobacco or snuff, to destroy the stamp or stamps thereon. And any person who wilfully neglects or refuses to do so is liable to be fined fifty dollars and imprisoned not less than ten days nor more than six months.

This provision of law applies not only to retail dealers who empty wooden packages by retailing their contents, but also to every person who purchases tobacco for his own use, and empties such packages. He must destroy the stamp or stamps thereon.

To sell or give away, buy, or accept any empty stamped box, bag, vessel, wrapper, or envelope of any kind, or the stamp or stamps taken from any such empty box, bag, vessel, wrapper, or envelope, of any kind, renders a per-

son liable, on conviction, to a fine of one hundred dollars, and imprisonment for not less than twenty days and not more than one year.

Any manufacturer or other person who puts tobacco or snuff into any stamped box, bag, vessel, wrapper, or envelope, the same having been emptied, or partially emptied, or who has in his possession, or affixes to any box or other package any stamp which has been previously used, or who sells or offers for sale, any box or other package of tobacco, snuff, or cigars, having affixed thereto any fraudulent, spurious, imitation, or counterfeit stamp, or stamp that has been previously used, or who sells from any such fraudulently-stamped box or package, or has in his possession any box or package as aforesaid, knowing the same to be fraudulently stamped, renders himself liable, for each offence, to be fined not less than one hundred dollars nor more than five hundred dollars, and to be imprisoned for not less than one nor more than three years.

REWORKING OF TOBACCO NOT ALLOWED.

Under the Revised Statutes no provision is made for the reworking or rehandling of spoiled tobacco after the same has been stamped.

FORM 146.

This is a yearly abstract statement of the accounts of a tobacco manufacturer, compiled from his inventories, monthly returns, and the collector's books and records, for the purpose of ascertaining if the manufacturer is liable to an assessment for a deficiency.—(See instructions as to assessments for deficiencies, page 48, Series 7, No. 8.)

CIGARS.

It is the duty of the deputy collectors to frequently visit cigar manufacturers and examine their books and stock to ascertain if they are conducting their business in compliance with the law and regulations, and from time to time to give them such instructions in regard to the same as may be necessary. It is expected that every

manufacturer will be visited by the division deputy at least once in each month, and oftener if practicable. Revenue agents cannot, in the large and more important districts, examine cigar manufactories as frequently as local officers, but they will be required to give them as much attention as possible. They should make occasional inspection of the premises used as factories and sales-rooms, carefully examining the books, and observing the manner in which the business is conducted, with a view to discover if taxes are faithfully collected.

They must take measures to ascertain if the local officers make the examinations as frequently and as carefully as required, and any neglect on the part of such officers which may come to the knowledge of the agent must be reported to the Commissioner of Internal Revenue.

Extraordinary means have been taken by the Commissioner to fully inform cigar-makers of the requirements of the internal-revenue laws affecting their occupation. A manual, containing copious extracts from the law and regulations, has been published in the English and German languages, a copy of which collectors have been instructed to place in the hands of every cigar manufacturer in their respective districts. Agents will see that this instruction is complied with.

The practice most usually resorted to, to avoid the payment of tax upon cigars, is by refilling stamped boxes. This is done to a considerable extent by dishonest manufacturers, who have their retail-shops adjacent to their factories. It is difficult to detect this fraud, but frequent examination of the premises and strict surveillance of the operations of the manufacturer will in a great degree prevent it. The quantity of leaf tobacco purchased, the number of cigars reported made, the stamps purchased, used, and on hand, should be carefully noted, and when a discrepancy is revealed, the manufacturer should be required to account for it. If he fail to do so satisfactorily, all the facts should be reported to the collector and to the Commissioner of Internal Revenue.

The failure of cigar manufacturers to make return of products corresponding to the amount of material had and used, and corresponding to what is well known to be the

average production of cigars from a given quantity of material, is *prima-facie* evidence of sale and removal of cigars without the payment of the tax, the presumption being that the cigars were actually made, but the tax not paid.

ASSESSMENT FOR DEFICIENCIES.

For the purpose of assessment it has been assumed by this Office that for every twenty-five pounds of leaf tobacco, "actual weight," there were probably made, and should have been reported, one thousand cigars.

The adoption of this quantity of leaf for one thousand cigars is not because the law prescribes any definite quantity to be used, but because the examination of thousands of accounts of cigar manufacturers from all parts of the country and for different years, shows that the average quantity of leaf actually used is somewhat less than twenty-five pounds, hence, that is assumed as the correct quantity under ordinary circumstances for the making of ordinary-sized cigars. In prosecuting their examinations of cigar-factories it will be safe for agents to proceed upon this basis.

When it is shown that the stock used was of very poor quality, or that the cigars made were of extraordinary size, and weighed more than fifteen pounds per thousand after being thoroughly dried, exclusive of boxes, a fair allowance may be made. Allowance also should be made for leaf tobacco sold or returned, or for cuttings and clippings when they are of such a character that they may be made into cigars, or are sold for that purpose. No allowance should be made for stems or for ordinary scraps and waste incidental to the business.

In the making of finer grades of cigars, particularly of Havana tobacco, manufacturers often use only the best portion of the leaf and sell the balance to be used as filling for a lower or cheaper grade of cigars. In such cases an allowance may properly be made for such stock when sold, but in this and all other cases where the manufacturer claims that he has sold or returned leaf tobacco, cuttings, or clippings, the agent should satisfy himself that the stock has been thus disposed of.

SPECIAL TAX OF MANUFACTURERS OF CIGARS.

Every person whose business it is to make cigars for himself, or who employs others to make cigars, is a manufacturer of cigars, and must file a bond and pay a special tax of ten dollars.

Manufacturers of tobacco and snuff who also manufacture cigars will be required to pay a special tax as cigar manufacturers.

Manufacturers who have discontinued business with a stock of unstamped cigars on hand will be required to renew their special-tax stamps so long as they hold such unstamped stock, in order that the collector may be authorized to sell them stamps when they shall require them.

The liability to pay special tax as a cigar manufacturer is not held to apply to a person who, without employing any person to make cigars for him, makes cigars exclusively for his own personal smoking, and neither sells, offers to sell, or removes from the place where they were made, cigars so made by him for his personal use.

Cigar manufacturers are not authorized under their special-tax stamp as manufacturers of cigars to manufacture tobacco for use or consumption by any process; or to put up scraps, waste, clippings, &c., for use or consumption, except such as they unavoidably make in their own cigar-factories; nor are they, under such a special-tax stamp, authorized to deal in manufactured tobacco or cigars, nor to engage in a business of selling leaf tobacco.

MANUFACTURER'S STATEMENT.

Every manufacturer of cigars, before commencing the business, is required to furnish a sworn statement in duplicate, (Form 36½,) without previous demand, to the collector, according to the provisions of section 3387, Revised Statutes, as amended. As soon as received the collector will determine the amount of the cigar manufacturer's bond, in accordance with the provisions of said section.

A cigar-factory, or place where cigars are made for sale, must be at least an entire room, separated by walls and partitions from all other parts of the building, and accurately described on Form 36½.

Two cigar manufacturers cannot occupy the same premises at the same time. No cigar manufacturer will be allowed to operate more than one factory within the same limited and described factory premises; nor, on such premises, to carry on the business of a tobacco manufacturer, a dealer in leaf or manufactured tobacco, or to carry on any other business deemed to be incompatible with the business of manufacturing cigars.

MANUFACTURER'S BOND AND CERTIFICATE.

Section 3387 provides that a cigar manufacturer shall give a bond, in such penal sum as the collector may require, not less than five hundred dollars, with an addition of one hundred dollars for each person proposed to be employed by him in making cigars.

No person is allowed to manufacture cigars until such bond (Form 71) is filed with the collector, with sureties approved by him. These bonds may be increased from time to time, and additional sureties required at the discretion of the collector, or under the instructions of the Commissioner of Internal Revenue. Upon the filing of his bond, the collector will issue to every cigar manufacturer a certificate, (Form 41½,) setting forth the number of cigar-makers for which the bond has been given, to be posted in a conspicuous place within his manufactory.

COLLECTOR'S RECORD-BOOK, AND NUMBERING OF MANUFACTURERS.

Section 3389 of the Revised Statutes, as amended by the act of March 1, 1879, requires every collector to keep a record, in a book provided for that purpose, and to enter therein the name and residence of every manufacturer of cigars in his district, the place where such manufacture is carried on, and the number of the manufactory. He is also to enter in said record, under the name of each manufacturer, an abstract of the inventories and monthly returns, and to cause the several manufacturers of cigars in his district to be numbered consecutively, which number is not to be changed afterward.

The numbering of the manufacturers consecutively will not necessitate a renumbering or any change in the present factory numbers of any district. The present factory numbers will be retained so far as they may be desired, and in all cases retained where the same manufacturer continues to operate two or more factories. In numbering consecutively the cigar manufacturers of his district, the collector will give to each a number corresponding to the number which has already been given to his factory, where he has but one; but if he has more than one factory, the collector will give him the number which has already been given to his principal factory, unless the manufacturer shall prefer to be designated by the number of some one of his other factories.

When a number has once been assigned to a cigar manufacturer, or to a manufacturing company or firm, this number is not to be changed though the place of manufacture, the locality, the street, or number of the street, may be changed, provided the change of place is within the limits of his present collection district.

Changes of factory premises will not require a change of factory numbers. The old factory numbers can be retained so long as the business is carried on in the same district, regardless of the locality.

Changes in a firm which do not destroy its identity, and where the business is continued in the same place by a part of the old firm, will not necessitate a change of the *manufacturer's* number. But where a firm is dissolved and the members of the firm associate themselves in other partnerships or carry on business as individuals, and at places other than the place occupied by the firm, the old number cannot properly be retained by any member or members of the dissolved firm.

CIGAR-MAKERS TO BE REGISTERED.

It is required that every cigar-maker shall cause his name and residence to be registered, without previous demand, with the collector or deputy collector of the division in which he shall be employed, and there is imposed upon the manufacturer of cigars a fine of five dollars for

each day he employs any cigar-maker who has neglected or refused to make such registry.—(See section 3244, R. S., subdivision 10.)

MANUFACTURERS' SIGNS.

Every cigar-manufacturer is required to place and keep, on the side or end of the building within which his business is carried on, so that it can be distinctly seen, a sign, with letters thereon not less than three inches in length, painted in oil-colors or gilded, giving his full name and business.—(See section 3388, R. S.)

In addition to the above, every cigar manufacturer must have conspicuously displayed *inside of his factory* the *collector's certificate*, (Form 41½,) and his special-tax stamp for the current year.

CONCERNING THE FACTORY PREMISES OR PLACE WHERE CIGARS ARE MADE.

The portions of the law regulating the manufacture and sale of cigars, without declaring in specific language that the two kinds of business, to wit, manufacturing cigars and selling manufactured tobacco and cigars at retail, shall not be carried on in the same place at the same time, impose such restrictions, make such requirements, and declare such forfeitures and penalties as render it impracticable for these two kinds of business to be carried on together, as above stated. (See sections 3387, 3392, and 3397 of the Revised Statutes of the United States; also, Special 85, revised, and Form 36½.)

Under as lenient a construction of these several sections of the law as their language and the purpose for which they were enacted, to wit, the protection of the revenue, will admit, it is held that a cigar-factory or the place where cigars can be made for sale must be at least an entire room, separated by walls and partitions from all other parts of the building, and that the factory or place of manufacture, designated and described on Form 36½, cannot be used, nor can any portion thereof, even though marked off or separated from the remainder by a railing,

counter, bench, screen, or curtain, be used as a store where the manufacturer can sell his cigars otherwise than in legal boxes, properly branded, labelled, and stamped.

When a cigar manufacturer has a store in a room adjoining his factory, a door and windows may be allowed between the factory and store; and, if necessary for light or ventilation, the upper portion of the partition between the factory and store may be of glass or wire-cloth.

REMOVAL OF FACTORY.

Every cigar manufacturer, before removing his business from one factory or building to another location where he proposes to carry on the same business, must cause such change or removal to be registered with the collector. He must also deliver to the collector, through the deputy collector, an inventory similar to that required to be made on the 1st day of January of each year. He must also pack and stamp all his manufactured cigars before such removal is made, unless he has obtained a special permit for such removal from the Commissioner of Internal Revenue, and must give a new bond, unless the present bond is deemed good and sufficient, and the makers of the bond have endorsed thereon their assent to the removal, and their willingness to be bound for his transactions at the new location, and for the tax on all cigars so removed unstamped.

INVENTORIES.

Every person engaged in the manufacture of cigars must make and deliver to the collector of the district in which his factory is situated, a true inventory of the quantity of leaf tobacco, cigars, stems, scraps, clippings, and waste, and the number of cigar-boxes, stating the capacity of each, held or owned by him on the first day of January each year, or at the time of commencing, and at the time of concluding, business, if before or after the first of January. This statement must set forth what portion and kind of said goods were manufactured or produced by him, and what were purchased from others. This inventory must be verified by oath. (Form 70 *b*.)

The annual inventories are required to be endorsed by the collector, and the law makes it the duty of the collector to make a personal examination of the stock of every cigar manufacturer in his district sufficient to satisfy himself of the correctness of the inventory.

It is not, however, to be expected that the collector will be able to do this in person. It may be done by deputy collectors in districts where there are large numbers of cigar manufacturers.

A correct and reliable annual inventory is of great importance as the basis of subsequent transactions, and the starting point from which future calculations, both by the collector and by the Commissioner, are to be made. For this reason collectors are charged to see that these inventories are made promptly, made correctly, and properly verified and endorsed.

CIGAR-MANUFACTURER'S BOOKS—FORM 73.

Section 3390, Revised Statutes, requires every cigar manufacturer to enter daily in a book an accurate account of the quantity of leaf tobacco, of the cigars, stems, scraps, clippings, and waste, and also the number and capacity of cigar-boxes purchased or sold by him. It further requires daily entries of the quantity of leaf tobacco, cigars, stems, or cigar-boxes, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture.

The entry of leaf tobacco consumed should be made at the time of *casing;* that is, as often as the manufacturer cases, or wets down, his leaf tobacco, whether it be daily, or once, twice, or thrice a week, he should, before wetting his tobacco, weigh the same and make entry in his Government book of so much leaf "consumed in manufacture" in the column specially prepared for such entry.

The daily entries of leaf tobacco in the Government books, and the reports of all purchases and sales of leaf tobacco, made by cigar manufacturers in their monthly reports to collectors, must be made of the *actual weight.*

MONTHLY ABSTRACTS.

Each manufacturer must also, on or before the tenth day of each and every month, furnish to the collector a true and accurate abstract from his book of all purchases, sales, and removals made during the month next preceding. (Form 72.)—(Section 3390, R. S.)

RATES OF TAX.

1. On all cigars and cheroots, the tax is $6 per 1,000.
2. On cigarettes, weighing not more than three pounds per 1,000, the tax is $1 75 per 1,000.
3. On cigarettes, weighing more than three pounds per 1,000, the tax is $6 per 1,000.

LAWFUL PACKAGES OF CIGARS.

All cigars are required by section 3392, Revised Statutes, as amended by act of March 1, 1879, to be packed in boxes which have never before been used for packing cigars; said boxes are to contain twenty-five, fifty, one hundred, two hundred, two hundred and fifty, or five hundred cigars each, and no cigars can be sold or offered for sale, or be delivered, or offered for delivery, (except at retail by retail dealers, from properly-packed and stamped boxes,) without being packed, or packed in any other form than as described above, or in any other than new boxes.

PUTTING UP AND PACKING CIGARETTES.

Section 3387 of the Revised Statutes U. S. declares that cigarettes and cheroots shall be held to be cigars, under the meaning of Chapter Seven.

Section 3392 Revised Statutes U. S., as amended by the act of March 1, 1879, provides "that every manufacturer of cigarettes shall put up all the cigarettes that he either manufactures or has made for him, and sells or removes for consumption or use, in packages or parcels containing ten, twenty, fifty, or one hundred cigarettes each, and shall securely affix to each of said packages or parcels a

suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps cancelled in like manner, in addition to the import-stamp indicating inspection of the custom-house, before they are withdrawn therefrom."

1. Cigarettes, after having been put up in packages of ten, twenty, fifty, or one hundred each respectively, and properly stamped, and the stamps cancelled, may be packed in boxes of one hundred, two hundred, two hundred and fifty, or five hundred cigarettes each.

2. These boxes to have stamped, indented, burned, or impressed into them, in a legible and durable manner, the number of the manufactory, the number of the district, the State, and the number of cigarettes contained in each box.

3. Each box to have affixed a label on which may be printed the number of the factory, and the number of the district, and the State in which it is situated, and also a caution notice.

4. The notice prescribed by section 3393, Revised Statutes U. S., as amended by the act of March 1, 1879, is, by virtue of the authority conferred by section 3446 of the Revised Statutes U. S., as amended by the act of March 1, 1879, so changed as to read as follows:

"NOTICE.—The manufacturer of the cigarettes herein contained has complied with all the requirements of the law. Every person is cautioned not to use this box for packing cigarettes again, nor to use the stamps, nor the stamped wrappers upon the packages or parcels of cigarettes constituting the contents of this box, under the penalties provided by law in such cases."

MARKING OR BRANDING CIGAR-BOXES.

Instead of burning into each box with a branding-iron the number of cigars contained theren, the name of the manufacturer, and the number of the district and the State, as heretofore, section 3397, Revised Statutes, as

amended by the act of March 1, 1879, permits the branding or marking required by the section as amended to be done by stamping, indenting, burning, or impressing. Whatever the mode of doing it, the law requires that it shall be done in a legible and durable manner.

A mere printed or stencilled impression on the surface of the wood or other material of which the box is made will not satisfy the requirements of the law.

It will be observed that the branding or marking required before the act of March 1, 1879, included the manufacturer's name, which is now omitted, and the *number of the manufactory* substituted. The required marks under the amended law are as follows: 1. *The number of the cigars contained in the box.* 2. *The number of the manufactory.* 3. *The number of the district and the State.*

LABELS OR CAUTION NOTICES.

Section 3393, Revised Statutes, as amended by the act of March 1, 1879, provides that "every manufacturer of cigars shall securely affix, by pasting on each box containing cigars manufactured by or for him, a label, on which shall be printed, besides the number of the manufactory and the district and State in which it is situated," a caution notice, in language as hereafter quoted in Form V.

The number of the manufactory required to be printed on the label or caution notice is to be the same as the number of the manufacturer. This label for all cigar-boxes is to be not less than four inches in length and two inches in width; or, if made in circular or oval form, it shall cover not less than eight square inches of paper.

If the manufacturer desires to do so, he may increase the size of this paper so as to allow the printing, *separate from the label*, of his name and trade-mark, or the name and trade-mark of the person for whom the cigars are made.

This label is required to be of a size sufficient to contain, in addition to the caution notice prescribed in section 3393, Revised Statutes, in plain, open, and legible letters, these facts: (1) The factory number; (2) the collection district; and (3) the State.

These labels must be in the following form:

(FORM V.)

Factory No. ——, —— *District, State of* ———.

NOTICE.—The manufacturer of the cigars herein contained has complied with all the requirements of law. Every person is cautioned not to use either this box for cigars again, or the stamp thereon again, nor to remove the contents of this box without destroying said stamp, under the penalties provided by law in such cases.

The affixing of this label or caution notice is made the duty of the manufacturer. It is to be a printed label, and not partly printed and partly written. It is to be affixed by the manufacturer before the cigars are to be removed from the places where they were made. No other person than the manufacturer has a right or will be allowed in any case to tamper with this caution notice, to remove it from the box, to substitute another label instead of it, or to cover it up with a label either of his own or of any other person.

This label or notice is to be distinctively and clearly the label required by law. It will not be deemed a compliance with the law and these regulations when a cigar manufacturer prints the words and figures called for by the law in small and obscure type on the margin of a label intended mainly to advertise his own business and goods, or so blends and mixes the caution notice with his own advertisement or trade-mark as to render it doubtful whether the label is the manufacturer's advertisement or the label and caution notice which the Government requires to be placed upon every box of cigars.

WHERE THE LABELS ARE TO BE AFFIXED.

The labels must be affixed to the package in a conspicuous place, where they will be exposed as little as possible to be worn or rubbed off, and in a manner so as not to be covered up or concealed by any other labels or marks, and so as not to conceal by them any other marks or brands required by law to be placed upon the package.

STAMPS.

The Commissioner of Internal Revenue has caused to be prepared stamps for the payment of the tax on cigars and cigarettes, as required by section 3395, Revised Statutes. These stamps are of the several denominations indicated by the number of cigars or cigarettes allowed to be packed in different-sized boxes or packages. They are furnished to collectors to be sold only to cigar manufacturers who have given bonds and paid the special tax in their districts respectively, and to such other persons as are named in section 3395, Revised Statutes.

The absence of the proper revenue stamps on any box of cigars sold, or offered for sale, or kept for sale, is notice to all persons that the tax has not been paid thereon, and such cigars are declared to be forfeited.—(Section 3398, Revised Statutes.)

When a constable, sheriff, or other executive officer, acting under process of court, has attached or levied upon unstamped cigars, the collector is authorized to sell to such officer the stamps required to properly stamp such cigars prior to his making sale of the same for the satisfaction of the debt on account of which the attachment was made.

STAMPS FOR CIGARS.

1. Strip-stamps, issued in sheets, for boxes containing twenty-five, fifty, one hundred, two hundred, two hundred and fifty, and five hundred cigars respectively. These stamps are to be used upon both domestic and imported cigars, and on cigarettes weighing over three pounds to the thousand.
2. A registered stamp for cigars intended for export.

STAMPS FOR CIGARETTES.

Stamps, in sheets, for packages or parcels containing ten, twenty, fifty, and one hundred cigarettes respectively.

These stamps must be used on all cigarettes weighing less than three pounds to the thousand.

MODE OF AFFIXING STAMP.

Strip-stamps, whether used for boxes of cigars or packages of cigarettes, must be so attached as to effectually seal the package and render it impossible to open the same or remove its contents without destroying or breaking the stamp.

The stamps on packages or parcels of cigarettes will be so affixed that the opening of the package or using the contents will effectually break or destroy the stamp. Further cancellation will be required by the manufacturer's writing or imprinting on the stamp his registered number and the date of use.

The stamps are to be affixed to the boxes or packages by using an adhesive material that will cause them to stick securely and permanently. (See the recipe for paste heretofore given.)

MODE OF CANCELLATION.

The strip-stamps for cigars in boxes will be cancelled by the use of a stencil-plate of brass or copper, in which there shall be cut not less than six waved lines long enough to extend not less than three-quarters of an inch beyond each side of the stamp on the box, or, if found to be more convenient, the waved lines upon the box and stamp may be made with a branding-iron or with rubber stencil-plates or rubber stamps, instead of the ordinary stencil-plate, provided that the waved lines are put upon the box and across the stamp continuously, and in as effectual a manner as if done by a stencil-plate. If done by a branding-iron, it must be so done as not to destroy any part of the stamp. In addition to the waved lines, the manufacturer will write or imprint on each stamp his registered number, State, collection district, and date of cancellation.

The stamps on packages or parcels of cigarettes will be so affixed that the opening of the package or using the contents will effectually break or destroy the stamp. Further cancellation will be required by the manufacturer's writing or imprinting on the stamp his registered number and the date of use.

For the cancellation of customs-stamps on boxes of imported cigars, the Secretary of the Treasury, in Customs Regulations of 1874, has directed that the inspecting officer cancel the same by placing thereon his name, the date, and the name of the importing-vessel. The internal-revenue stamps to be attached before the cigars are withdrawn from the customs warehouse will be cancelled in the same manner as is herein prescribed for the cancellation of stamps on domestic cigars, substituting the importer's name for the registered number of the manufacturer.

In cancelling stamps by writing or imprinting as above, where blank spaces are left on the stamps for that purpose they must always be used.

REMOVAL OF CIGARS.

All cigars, cheroots, and cigarettes, removed from the place of manufacture, as described on Form 36½, unless removed under bond for exportation, must have affixed and cancelled proper internal-revenue stamps.

IMPORTED CIGARS AND CIGARETTES.

All cigars and cigarettes imported from foreign countries are required to be put up in the manner prescribed for domestic cigars and cigarettes, and are liable to the same internal-revenue tax, and to have the same stamps, respectively, affixed and cancelled.

The owner or importer is required to affix and cancel the stamps before they are withdrawn from the custom-house.—(Section 3402, Revised Statutes)

Imported cigars and cigarettes are not required to have affixed to each box or other package a label and caution notice, as provided in the case of domestic cigars, but they are required to have affixed an import-stamp. These stamps, when properly filled, show the inspector's name, the date of inspection, the port where the entry was made, and the name of the importer. They may subserve the same purpose with reference to imported cigars that the label and caution notice answer for domestic cigars. But these import-stamps on cigars and cigarettes must never

be mistaken for the internal-revenue stamps. They are no more evidence of the payment of the internal-revenue tax imposed *on all imported cigars and cigarettes* than the labels or caution notice on boxes of domestic cigars would be in the absence of proper stamps.

Importations of cigarettes in packages other than specified in the law will be treated as illegal.

Owners or importers of cigars and cigarettes failing to comply with the above requirements are liable to all the penal provisions of the law prescribed for manufacturers of cigars and cigarettes manufactured in the United States.

IMITATION STAMPS.

Section 3397, Revised Statutes, forbids the affixing to any box containing cigars a stamp in the similitude or likeness of any stamp required to be used by the laws of the United States, whether the same be a customs or internal-revenue stamp.

MANUFACTURERS WHO ARE ALSO DEALERS.

Every cigar manufacturer who, as a dealer, sells cigars of his own manufacture at retail, must, when he transfers cigars from his factory, or place where they were made, to his sales-room, to be sold at retail, enter them in his manufacturer's book as "removed for consumption or sale," and so return them to the collector in his next monthly return.

SALE OF CIGARS.

Section 3392 requires that all cigars shall be packed in boxes not before used for that purpose, containing definite and limited numbers, and positively prohibits their sale in any other form except by retail dealers. Retail dealers are allowed to retail cigars from boxes packed, stamped, and branded in the manner prescribed by law; but this provision does not authorize or warrant the practice of retailing cigars from show-cases. Sales can legally be made only from the stamped package, the presence of the revenue-stamp being always necessary to give currency to the goods.

Manufacturers of cigars, as such, can sell only in original and unbroken packages, and under a manufacturer's special-tax stamp, only at the place of manufacture.

Manufacturers of cigars who have paid special tax as dealers also may sell at retail elsewhere than in the factory from boxes packed, stamped, and branded in the manner prescribed by law. But if the place of manufacture and the place of sale are in the same building, the cigars must be boxed, branded, or marked, and stamped before they are removed from the room where they were made to the room where they are to be sold.

Manufacturers of cigars who, as dealers, sell cigars of their own manufacture at retail are required to *utterly destroy* the stamps on all boxes as soon as they are emptied.

DESTRUCTION OF STAMPS ON EMPTY CIGAR-BOXES.

Section 3406, Revised Statutes, provides that whenever any stamped box containing cigars, cheroots, or cigarettes is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon.

The attention of revenue agents is directed to this requirement. The practice of keeping empty cigar-boxes with old stamps attached on hand is quite common among dealers. This practice offers great facilities for fraud and must be stopped.

The same section authorizes any revenue officer to destroy any emptied cigar-box upon which a stamp is found, and imposes penalties for fraudulently giving away or accepting such boxes, and also for buying or using such boxes for the packing of cigars, cheroots, or cigarettes.

MANUFACTURERS OF CIGARS SELLING REFUSE SCRAPS, CLIPPINGS, AND WASTE.

Manufacturers of cigars are allowed to sell in bulk and without the payment of any tax thereon, their refuse scraps, clippings, and waste to manufacturers of tobacco or cigars who have given bond as required by law, to be used as material in the manufacture of cigars or tobacco; such sales, however, can only be legally made after the

manufacturer shall have made application to and received from his collector, or from the Commissioner of Internal Revenue, a special permit in each and every case.—(Section 3362, Revised Statutes.)

Cigar manufacturers, before selling their scraps, cuttings, clippings, and waste for use or consumption as smoking-tobacco, are required to put up the same in packages of two, three, four, eight, or sixteen ounces each, and to affix and cancel proper stamps for the payment of the tax due thereon. They should also affix to each package a label, stating the character of the contents, the number of their factory, the district and State.

Cigar manufacturers are not required to pay special tax as manufacturers of tobacco to entitle them to the privilege of purchasing tobacco-stamps properly to stamp refuse scraps, clippings, and waste incidental to their business.

SALES OF LEAF TOBACCO TO AND BY CIGAR MANUFACTURERS.

By the second proviso of subdivision sixth of section 3244 of the Revised Statutes, it is declared to be lawful for any licensed manufacturer of cigars to purchase leaf tobacco of any licensed dealer, or other licensed manufacturer, in quantities less than the original package for use in his own manufactory exclusively. The right to purchase on the one part implies the right to sell on the other, subject, however, to the limitation and restriction named in the statute. The purchaser must be a cigar manufacturer, the quantity less than the original package, and the leaf tobacco must be for use in his own manufactory exclusively.

FORM 144.

This is a yearly abstract statement of the cigar-manufacturer's accounts, and inventories in each collection district, made for the purpose of ascertaining if any cigar manufacturer is liable to assessment for a deficiency.—(See instructions as to "Assessments for Deficiencies," Series 7, No. 8, page 48.)

PENALTIES.

The following penalties are imposed by statute for violations of law relative to tobacco, snuff, and cigars:

Tobacco manufacturer neglecting or refusing to obtain certificate or keep it posted.—(Sec. 3355, R. S.)

* * * "And every tobacco manufacturer who neglects or refuses to obtain such certificate, or to keep the same posted as hereinbefore provided, shall be fined not less than one hundred dollars nor more than five hundred dollars."

Manufacturing tobacco without first giving bond.—(Sec. 3355, R. S.)

* * * "And every person who manufactures tobacco or snuff of any description without first giving bond, as herein required, shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one nor more than five years."

Tobacco manufacturer not putting up the required sign.—(Sec. 3356, R. S.)

"Every manufacturer of tobacco and snuff shall place and keep on the side or end of the building wherein his business is carried on, so that it can be distinctly seen, a sign, with letters thereon not less than three inches in length, painted in oil-colors or gilded, giving his full name and business. And every person who neglects to comply with the requirements of this section shall be fined not less than one hundred dollars nor more than five hundred dollars."

Tobacco manufacturer refusing or neglecting to deliver the inventory, keep the account or furnish the abstract required in Section 3358, R. S.

* * * "And whenever any such person refuses or wilfully neglects to deliver the inventory, or keep the account, or furnish the abstract aforesaid, he shall be

fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years."

Dealer in leaf tobacco wilfully neglecting or refusing to keep books.—(Sec. 3360, R. S.)

* * * "And every dealer in leaf tobacco who wilfully neglects or refuses to keep the books herein provided for, and in the manner which shall be prescribed by the Commissioner of Internal Revenue, or to transfer to the collector of his district, as herein provided, the duplicate copy containing his daily transactions, as aforesaid, shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not more than one year."

Farmer or planter refusing to furnish statement of leaf tobacco or making false statements.—(Sec. 3361, R. S.)

* * * "And every such farmer or planter who wilfully refuses to furnish such information, or who knowingly makes false statements as to any of the facts aforesaid, shall be liable to a penalty not exceeding five hundred dollars."

Tobacco and snuff not sold in prescribed packages.—(Sec. 3363, R. S.)

"No manufactured tobacco shall be sold or offered for sale unless put up in packages and stamped as prescribed in this chapter, except at retail by retail dealers from wooden packages stamped as provided in this chapter; and every person who sells or offers for sale any snuff, or any kind of manufactured tobacco, not so put up in packages and stamped, shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than two years."

Neglecting to print and affix labels on packages of tobacco and snuff.—(Sec. 3364, R. S.)

* * * "Every manufacturer of tobacco who neglects to print on or affix such label to any package containing

tobacco made by or for him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined fifty dollars for each package in respect to which such offence shall be committed."

Purchasing, &c., manufactured tobacco or snuff not branded or stamped.—(Sec. 3366, R. S.)

"Every person who purchases, or receives for sale, any manufactured tobacco or snuff which has not been branded or stamped according to law, shall be liable to a penalty of fifty dollars for each offence."

Purchasing, &c., manufactured tobacco or snuff from a manufacturer who has not paid the special tax.—(Sec. 3367, R. S.)

"Every person who purchases, or receives for sale, any manufactured tobacco or snuff from any manufacturer who has not paid the special tax, shall be liable for each offence to a penalty of one hundred dollars, and to a forfeiture of all the articles aforesaid so purchased or received, or of the full value thereof."

Fraud or collusion in the case of tobacco or snuff manufactured by one person for another, or on shares.—(Sec. 3370, R. S.)

* * * "And each party to such fraud or collusion shall be deemed guilty of a misdemeanor, and be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned for not less than six months nor more than three years."

Removing manufactured tobacco, except in proper packages or without stamps; selling unlawfully, &c.—(Sec. 3374, R. S.)

"Every person who removes from any manufactory, or from any place where tobacco or snuff is made, any manufactured tobacco or snuff without the same being put up in proper packages, or without the proper stamp for the amount of tax thereon being affixed and cancelled, as required by law; or, if the same be intended for export,

without the proper export stamp being affixed; or who uses, sells, or offers for sale, or has in possession, except in the manufactory, or while in transfer under bond or a collector's permit, from any manufactory, store, or warehouse, to a vessel for exportation to a foreign country, any manufactured tobacco or snuff, without proper stamps for the amount of tax thereon being affixed and cancelled; or who sells, or offers for sale, for consumption in the United States, or uses, or has in possession, except in the manufactory, or while in transfer under bond or a collector's permit, from any manufactory, store, or warehouse, to a vessel for exportation to a foreign country, any manufactured tobacco or snuff on which only the stamp marking the same for export has been affixed, shall for each such offence, respectively, be fined not less than one thousand dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years."

Affixing to packages of tobacco and snuff false stamps or stamps that have been before used.—(Sec. 3375, R. S.)

"Every person who affixes to any package containing tobacco or snuff, any false, forged, fraudulent, spurious, or counterfeit stamp, or a stamp which has been before used, shall be deemed guilty of a felony, and shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than two years nor more than five years."

Not destroying stamped portion of packages containing tobacco and snuff when emptied.—(Sec. 3376, R. S.)

"Whenever any stamped box, bag, vessel, wrapper, or envelope of any kind, containing tobacco or snuff, is emptied, the stamp or stamps thereon shall be destroyed by the person in whose hands the same may be. And every person who wilfully neglects or refuses so to do shall, for each such offence, be fined fifty dollars, and imprisoned not less than ten days nor more than six months."

Buying, selling, or giving away empty stamped packages of tobacco and snuff, or stamps taken from same.—(Sec. 3376, R. S.)

* * * "And every person who sells or gives away, or who buys or accepts from another any such empty stamped box, bag, vessel, wrapper, or envelope of any kind, or the stamp or stamps taken from any such empty box, bag, vessel, wrapper, or envelope of any kind, shall, for each such offence, be fined one hundred dollars and imprisoned for not less than twenty days, and not more than one year."

Putting up tobacco in any box, &c., emptied or partially emptied, or having possession of or affixing a previously-used stamp, or selling, &c., any package with a fraudulent stamp, or selling from such package or having such in possession, &c.—(Sec. 3376, R. S.)

* * * "And every manufacturer or other person who puts tobacco or snuff into any such box, bag, vessel, wrapper, or envelope, the same having been either emptied or partially emptied, or who has in his possession, or affixes to any box or other package, any stamp which has been previously used, or who sells, or offers for sale, any box or other package of tobacco, snuff, or cigars, having affixed thereto any fraudulent, spurious, imitation, or counterfeit stamp, or stamp that has been previously used, or sells from any such fraudulently stamped box or package, or has in his possession any box or package as aforesaid, knowing the same to be fraudulently stamped, shall, for each such offence, be fined not less than one hundred dollars nor more than five hundred dollars, and imprisoned for not less than one year nor more than three years."

Peddler of tobacco refusing or failing to produce his special-tax stamp and certificate on demand of internal-revenue agent.—(Sec. 3383, R. S.)

* * * "Any internal-revenue agent may demand production of, and inspect the peddler's special-tax stamp and the collector's certificate for peddlers; and refusal or

failure to produce the same, or either of them, when so demanded, shall subject the party guilty thereof to a fine of not less than fifty dollars nor more than five hundred dollars, and to imprisonment for not less than thirty days nor more than twelve months."

Peddling tobacco, snuff, or cigars unlawfully.—(Sec. 3384, R. S.)

"Every person who is found peddling tobacco, snuff, or cigars, without having given the bond, or without having previously obtained the collector's certificate as herein provided, or who sells tobacco, snuff, or cigars otherwise than in original and full packages as put up by the manufacturer; or who has in his possession any internal-revenue stamp which has been removed from any box or other package of tobacco, snuff, or cigars, or any empty or partially emptied box or other package which has been used for tobacco, snuff, or cigars, the stamp or stamps on which have not been destroyed; or who fails to have affixed to his wagon, in a conspicuous place, a sign, painted in oil-colors, or gilded, giving his full name, business, and collection district, shall, for each such offence, be fined not less than one hundred dollars nor more than five hundred dollars, or imprisoned not less than six months nor more than one year, or both, at the discretion of the court. And any collector or deputy collector finding such peddler in the act of offending as to either of the offences mentioned in this section, may seize the horse or horses, mule or mules, wagon and contents, or pack, bundle, or basket, of any such person; and the collector shall thereupon proceed upon such seizure as provided in section 3383."

Fraudulently claiming drawback on manufactured tobacco. (Sec. 25, Act February 8, 1875; Sec. 3385 *b*, Comp. of 1879.)

"That if any person or persons shall fraudulently claim or seek to obtain an allowance or drawback of duties on any manufactured tobacco, or shall fraudulently claim any greater allowance or drawback thereon than the duty actually paid, such person or persons shall forfeit triple

the amount wrongfully or fraudulently claimed or sought to be obtained, or the sum of five hundred dollars, at the election of the Secretary of the Treasury, to be recovered as in other cases of forfeiture provided for in the internal-revenue laws."

Failing to give bond as manufacturer of cigars.—(Sec. 3387, R. S.)

* * * "And every person who manufactures cigars of any description, without first giving bond as herein required, shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not less than three months nor more than five years. Cigarettes and cheroots shall be held to be cigars under the meaning of this chapter."

Cigar manufacturers neglecting to put up and keep up the required sign.—(Sec. 3388, R. S.)

"Every cigar manufacturer shall place and keep on the side or end of the building within which his business is carried on, so that it can be distinctly seen, a sign, with letters thereon not less than three inches in length, painted in oil-colors or gilded, giving his full name and business. Any person neglecting to comply with the requirements of this section shall, on conviction, be fined not less than one hundred dollars nor more than five hundred dollars."

Cigar manufacturer refusing or neglecting to deliver inventory, keep account, or furnish abstract.—(Sec. 3390, R. S.)

* * * "In case of refusal or wilful neglect to deliver the inventory or keep the account, or furnish the abstract aforesaid, he shall be fined not less than five hundred dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than three years."

Cigars not packed in prescribed boxes.—(Sec. 3392, R. S.)

"All cigars shall be packed in boxes not before used for that purpose, containing, respectively, twenty-five,

fifty, one hundred, two hundred, two hundred and fifty, or five hundred cigars each; and every person who sells or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of the number provided by law to be put in each box respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offence not less than one hundred dollars nor more than one thousand dollars, and be imprisoned not less than six months nor more than two years." * * *

Neglecting to affix label to box containing cigars.—(Sec. 3393, R. S.)

* * * "Every manufacturer of cigars who neglects to affix such label to any box containing cigars made by or for him, or sold or offered for sale by or for him, and every person who removes any such label, so affixed, from any such box, shall be fined fifty dollars for each box in respect to which such offence is committed."

Removing or selling cigars unlawfully.—(Sec. 3397, R. S.)

"Whenever any cigars are removed from any manufactory, or place where cigars are made, without being packed in boxes as required by the provisions of this chapter, or without the proper stamp thereon denoting the tax, or without stamping, indenting, burning, or impressing into each box, in a legible and durable manner, the number of the cigars contained therein, the number of the manufactory, and the number of the district and the State, or without properly affixing thereon and cancelling the stamp denoting the tax on the same, or are sold, or offered for sale, not properly boxed and stamped, they shall be forfeited to the United States. And every person who commits any of the above-described offences shall be fined for each such offence not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than two years."

Using false or imitation cigar-stamp, or buying, receiving, &c., cigars on which the tax has not been paid; removing stamp, &c.; making fraudulent use of stamp; removing cigars unlawfully.—(Sec. 3397, R. S.)

"And every person who packs cigars in any box bearing a false or fraudulent or counterfeit stamp, or who affixes to any box containing cigars a stamp in the similitude or likeness of any stamp required to be used by the laws of the United States, whether the same be a customs or internal-revenue stamp, or who buys, receives, or has in his possession any cigars on which the tax to which they are liable, has not been paid, or who removes, or causes to be removed, from any box any stamp denoting the tax on cigars, with intent to use the same, or who uses, or permits any other person to use, any stamp so removed, or who receives, buys, sells, gives away, or has in his possession any stamp so removed, or who makes any other fraudulent use of any stamp intended for cigars, or who removes from the place of manufacture any cigars not properly boxed and stamped as required by law, shall be deemed guilty of a felony, and shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years."

Fraud or collusion in the case of cigars manufactured on shares, commission, or contract.—(Sec. 3399, R. S.)

"And every person engaged in such fraud or collusion shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned for not less than six months nor more than three years."

Selling imported cigars not packed as required by law.—(Sec. 3403, R. S.)

"Every person who sells or offers for sale any imported cigars, or cigars purporting or claimed to have been imported, not put up in packages and stamped as provided by this chapter, shall be fined not less than five hundred dollars nor more than five thousand dollars, and be imprisoned not less than six months nor more than two years."

Purchasing or receiving for sale cigars not branded or stamped.—(Sec. 3404, R. S.)

"Every person who purchases or receives for sale any cigars which have not been branded or stamped according to law, shall be liable to a penalty of fifty dollars for each such offence."

Purchasing or receiving for sale cigars from a manufacturer who has not paid the special tax.—(Sec. 3405, R. S.)

"Every person who purchases or receives for sale any cigars from any manufacturer who has not paid the special tax shall be liable for each offence to a penalty of one hundred dollars, and to a forfeiture of all the said articles so purchased or received, or of the full value thereof."

Stamps on emptied cigar-boxes not destroyed.—(Sec. 3406, R. S.)

"Whenever any stamped box containing cigars, cheroots, or cigarettes, is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon. And any person who wilfully neglects or refuses so to do shall, for each such offence, be fined not exceeding fifty dollars and imprisoned not less than ten days nor more than six months."

Fraud in relation to emptied stamped cigar-box.—(Sec. 3406, R. S.)

* * * "And any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing cigars, cheroots, or cigarettes, any such stamped box, shall for each such offence be fined not exceeding one hundred dollars and be imprisoned not more than one year. Any revenue officer may destroy any emptied cigar-box upon which a cigar-stamp is found."

Manufacturer of cigars employing cigar-maker who has refused or neglected to register.—(Sec. 3244, R. S., par. 10.)

"And every manufacturer of cigars employing any cigar-maker who shall have neglected or refused to make such registry shall be fined five dollars for each day that

such cigar-maker so offending, by neglect or refusal to register, shall be employed by him."

FORFEITURES.

The following forfeitures are imposed by statute for violations of law relative to tobacco, snuff, and cigars:

Purchasing, &c., manufactured tobacco or snuff from a manufacturer who has not paid the special tax.—(Sec. 3367, R. S.)

"Every person who purchases, or receives for sale, any manufactured tobacco or snuff from any manufacturer who has not paid the special tax, shall be liable for each offence to a penalty of one hundred dollars, and to a forfeiture of all the articles aforesaid so purchased or received, or of the full value thereof."

Fraud or collusion in the case of tobacco or snuff manufactured by one person for another, or on shares.—(Sec. 3370, R. S.)

* * * "And in case of fraud on the part of either of said persons in respect to said manufacture, or of any collusion on their part with intent to defraud the revenue, such material and manufactured articles shall be forfeited to the United States."

Removing tobacco unlawfully, selling without stamps or payment of special tax or giving bond, making false entries, &c.—(Sec. 3372, R. S.)

"Every manufacturer of tobacco or snuff who removes, otherwise than as provided by law, or sells, without the proper stamps denoting the tax thereon, or without having paid the special tax, or given bond as required by law, any tobacco or snuff, or who makes false and fraudulent entries of manufactures or sales of tobacco or snuff, or makes false or fraudulent entries of the purchase or sales of leaf tobacco, tobacco-stems, or other material, or who affixes any false, forged, fraudulent, spurious, or counterfeit stamp, or imitation of any stamp, required by

law, or any stamp required by law which has been previously used, to any box or package containing any tobacco or snuff, shall, in addition to the penalties elsewhere provided by law for such offences, forfeit to the United States all the raw material and manufactured or partly manufactured tobacco and snuff, and all machinery, tools, implements, apparatus, fixtures, boxes, and barrels, and all other materials which may be found in his possession, in his manufactory, or elsewhere.

Absence of stamp on manufactured tobacco and snuff.—(Sec. 3373, R. S.)

"The absence of the proper stamp on any package of manufactured tobacco or snuff shall be notice to all persons that the tax has not been paid thereon, and shall be *prima-facie* evidence of the non-payment thereof. And such tobacco or snuff shall be forfeited to the United States."

Peddler of tobacco failing to exhibit his special-tax stamp and certificate on demand of revenue officer.—(Sec. 3383, R. S.)

* * * "And whenever any peddler refuses to exhibit his special-tax stamp and certificate, or either of them, as aforesaid, on demand of any officer of internal revenue, said officer may seize the horse or mule, wagon and contents, or pack, bundle, or basket, of any person so refusing; and the collector of the district in which the seizure occurs may, on ten day's notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagon and contents, pack, bundle, or basket, so seized, shall not be forfeited. In case no sufficient cause is shown, proceedings for the forfeiture of the property seized shall be taken under the general provisions of the internal-revenue laws relating to forfeitures."

Peddler of tobacco committing offences mentioned in section 3384, *Revised Statutes.* (See PENALTIES.)

Removing or selling cigars unlawfully.—(Sec. 3397, R. S.)

"Whenever any cigars are removed from any manufactory, or place where cigars are made, without being packed in boxes as required by the provisions of this chapter, or without the proper stamp thereon denoting the tax, or without stamping, indenting, burning, or impressing into each box, in a legible and durable manner, the number of the cigars contained therein, the number of the manufactory, and the number of the district and the State, or without properly affixing thereon and cancelling the stamp denoting the tax on the same, or are sold, or offered for sale, not properly boxed and stamped, they shall be forfeited to the United States."

Absence of proper stamp on any box of cigars sold or offered for sale.—(Sec. 3398, R. S.)

"The absence of the proper revenue stamp on any box of cigars sold, or offered for sale, or kept for sale, shall be notice to all persons that the tax has not been paid thereon, and shall be *prima-facie* evidence of the non-payment thereof, and such cigars shall be forfeited to the United States."

Fraud or collusion in the case of cigars manufactured on shares, commission, or contract.—(Sec. 3399, R. S.)

"Whenever cigars of any description are manufactured, in whole or in part, upon commission or shares, or the material is furnished by one party and manufactured by another, or the material is furnished or sold by one party with an understanding or agreement with another that the cigars are to be received in payment therefor, or for any part thereof, the stamps required by law shall be affixed by the actual maker before the cigars are removed from the place of manufacturing. And in case of fraud on the part of either of said parties in respect to said manufacture, or of any collusion on their part with intent to defraud the revenue, such material and cigars shall be forfeited to the United States." * * *

Removing or selling cigars unlawfully, making false entries, or using false stamps.—(Sec. 3400, R. S.)

"Every manufacturer of cigars who removes or sells any cigars without payment of the special tax as a cigar manufacturer, or without having given bond as such, or without the proper stamps denoting the tax thereon; or who makes false or fraudulent entries of the manufacture or sale of any cigars; or makes false or fraudulent entries of the purchase or sale of leaf-tobacco, tobacco-stems, or other material used in the manufacture of cigars; or who affixes any false, forged, spurious, fraudulent, or counterfeit stamp, or imitation of any stamp, required by law to any box containing any cigars, shall, in addition to the penalties elsewhere provided in this title for such offences, forfeit to the United States all raw material and manufactured or partly manufactured tobacco and cigars, and all machinery, tools, implements, apparatus, fixtures, boxes, barrels, and all other materials which shall be found in his possession, or in his manufactory, and used in his business as such manufacturer, together with his estate or interest in the building or factory, and the lot or tract of ground on which such building or factory is located, and all appurtenances thereunto belonging."

Purchasing or receiving for sale cigars from a manufacturer who has not paid the special tax.—(Sec. 3405, R. S.)

"Every person who purchases or receives for sale any cigars from any manufacturer who has not paid the special tax shall be liable for each offence to a penalty of one hundred dollars, and to a forfeiture of all the said articles so purchased or received, or of the full value thereof."

PROPRIETARY ARTICLES.

MEDICINAL PREPARATIONS, PERFUMERY, AND COSMETICS.

It is necessary that revenue agents and deputy collectors should frequently examine the stocks of druggists, apothecaries, and other persons who keep or offer for sale articles of this kind, to see that the same are properly stamped.

The following are the latest rulings of this Office on the liability of such articles:

All medicines, medicinal and cosmetic articles and perfumeries which are imported from foreign countries are liable to the same stamp-tax as similar articles of domestic manufacture, and the stamps must be affixed by the importers or owners before the same are sold or offered for sale, and affixed in the same manner upon every packet, box, bottle, pot, phial, or *other enclosure* containing the same. No exception is made in this respect for articles sold in original and unbroken packages in which the bottles or other enclosures were packed by the manufacturers before the importation.

It is the duty of the manufacturer of such articles, if they are of domestic manufacture, or of the importer or owner, if they are imported from a foreign country, to properly stamp each and every packet, box, bottle, pot, phial, or other enclosure containing the same before it is removed from the place of manufacture, or before it is sold or offered or exposed for sale. But if such articles have been removed from the manufactory, or have been sold by the importer, and are in the hands of a dealer, then it becomes the duty of the dealer to stamp the same before he sells them or offers or exposes them for sale.

Perfumeries and cosmetic articles are liable to the stamp-tax without conditions or exemptions—those that are compounded or prepared according to published authorities, no less than those which are or are claimed to be patent or proprietary.

The first and absolutely prerequisite condition for holding any article subject to a stamp-tax under the head of "medicines or preparations" is, that the article, the preparation or composition, shall be, or shall be claimed to be by the maker or vender, a *medicated* or *medicinal* article or compound, an article of *materia medica*. No other patent or proprietary article can be held subject to stamp-tax under this head.

Articles used exclusively in *materia medica*, or whose general use is for the cure of human or animal diseases, *may* be liable to stamp-tax though the labels, wrappers, &c., attached to or accompanying the retail package, do

not particularly specify in what diseases they are to be used.

Articles which are not necessarily or generally medicinal in their character or uses, but which have or are claimed to have medicinal properties and virtues, in order to be subject to the stamp-tax, must be held out or recommended by the makers or venders by labels, wrappers, handbills, circulars, or otherwise, as remedies or specifics for some disease, diseases, or affections of the human or animal body.

All patent or proprietary medicines, medicinal preparations, and compositions, which are really such, or claimed to be such, and all such medicinal articles which are made, prepared, or compounded by any private formula, occult secret or art, or of which the full and proper formula is not published in some standard medical authority, are subject to the stamp-tax.

Medicines and medicinal articles, though made or compounded strictly according to the United States or other national pharmacopœia, or according to formulas generally known and fully published in standard medical journals, are made liable to the stamp-tax, if the maker or compounder, or person offering them for sale, advertises them in newspapers, or by public handbills, as having any special proprietary claim to merit. Such an advertising deprives the article of any claim to exemption, which it might otherwise clearly be entitled to have. Under this head, it is to be observed, further, that a proprietary claim to merit would be implied by the use of the possessive case in describing the article: as, for instance, "A's pills," or "B's tincture," or "C's powders," &c.—implying that such pills, tinctures, or powders possessed some special merit, or were better than others because they were made by A, B, or C, as the case might be.

While some articles and substances are used exclusively, or nearly so, in *materia medica*, others are only partially used, employed, or recommended as medicines or medicinal articles. In the latter case, in order to become subject to stamp-tax, there must be upon the enclosure containing them, or upon the labels and wrappers accompanying them, or in the circulars, handbills, or other mode used

for advertising them, a clear and express claim to patronage, on the score that the article so held out, recommended, or advertised to the public, is a medicine, or a medicated or medicinal article, or a cosmetic article.

Attention is called to the fact, in illustration of what is said above, that cod-liver oil is not neceesarily and always a medicinal oil.' It is only within a few years, comparatively, that the use of this oil in consumption and lung diseases has been recommended by physicians. Previous to that time cod-liver oil was, and even now is, largely used for like purposes as fish-oils in general. Bitters and plasters are among the articles enumerated in Schedule A as liable to stamp-tax; but bitters are not necessarily and always a medicinal article. The term "bitters" may be only another name for a spirituous liquor, and a plaster may be only a mechanical contrivance or device, or means by which surgeons and physicians protect wounds from gaping, or sores from extraneous matter or influences. These articles, and such as these, are not subject to the stamp-tax in the absence of any claim made upon the label, wrapper, handbill, circular, or in other mode adopted for advertising the article, that said article is a medicated or a medicinal article, when it is not held out or recommended to the public as a remedy or a specific for any disease, diseases, or affections of the human or animal body.—(Internal-Revenue Record, vol. 24, pages 281, 305, 393; vol. 25, page 69.)

Soaps are ordinarily laundry or toilet articles. They may, however, and do become medicinal or cosmetic articles whenever the maker, manufacturer, or vender holds them out and recommends them to the public for their curative or healing virtues or properties, or for the softening and beautifying effects produced by their use upon the hair, mouth, or skin, or their general improvement of the complexion. In other words, whenever the manufacturer or vender takes them out of the category of ordinary laundry or toilet-soaps, and places them in the category of medicinal or cosmetic articles, he must stamp them.

Articles that are patent or proprietary, and therefore subject to the stamp-tax, and all perfumeries and cosmetic articles, are equally liable to the stamp-tax when sold in

what are termed bulk packages as when sold in retail packages, and the value of the stamp or stamps to be affixed must correspond with the price charged for a single package with its contents. This decision specially applies to imported bay-rum and cologne waters, which are held to be cosmetic articles, and to bitters claimed to be medicinal, when sold in kegs, half-barrels, barrels, &c.

Dealers may retail directly from such bulk packages which have been properly stamped by the manufacturer or importer, drawing from the same in quantities to suit their customers, without any additional stamping, but the stamps attached to such bulk packages will only protect the original article contained therein, and only protect that so long as it is kept within such stamped package. If bulk packages are broken and their contents drawn off into smaller vessels, thereby ceasing to be identified with the stamped package in which they were put up by the manufacturer or sold by the importer, such contents become liable to seizure if stamps are not affixed to the articles thus sold or offered or exposed for sale.

A manufacturer of any article liable to stamp-tax under Schedule A must stamp every package, large or small, in which *he delivers* such articles to the purchaser, whether he furnishes the vessel or package himself or fills a vessel or package furnished by the purchaser.

The fact that any article has not been heretofore stamped will not be accepted as a good and sufficient reason for longer omitting to stamp such article, if it comes within either of the rules or decisions herein contained, whatever may have been the reason heretofore given or held for not stamping.

Stamps appropriated to denote the duty charged upon articles named in Schedule A cannot be used for any other purpose, nor can stamps appropriated to denote the duty upon instruments be used in payment of the duties upon articles enumerated in that schedule.

OFFICINAL MEDICINES.

The views of this Office concerning the requirements of law in regard to officinal medicines will be found in the

following extract from a letter published in the Internal-Revenue Record, April 12, 1875:

"The following summary is given for your direction, and that of revenue officers generally, with regard to the present liability of medicines and medicinal preparations to stamp-tax under the law in force:

"(1.) That all patent and proprietary medicines and medicinal preparations, and all such medicines, &c., for which any proprietary claim is made, real or pretended, must be stamped when sold, offered, or exposed for sale.

"(2.) That officinal and standard medicines, &c., prepared according to formulas published in authorized medical books or journals, put up and labelled simply with the name of the article and the name of the maker or compounder, are exempt from stamp-tax, without the 'formula and where found' being printed or referred to in any manner upon such label.

"(3.) That officinal medicines, &c., put up in a style or manner similar to patent or proprietary medicines in general—the same being in retail packages with labels attached stating diseases for which they are remedies, stating the dose, and giving directions for use—are liable to stamp-tax, unless, in addition to such matter as indicated above, there shall be also printed, on the label, the formula and the reference to the standard medical book or journal where such formula is found, or a distinct announcement that the article in question is made or compounded according to a published formula, with a distinct reference to the standard authority where found, in the manner hereinbefore described. In this latter case such medicines, &c., so put up are not liable to stamp-tax.

"(4.) Unofficinal medicines, or medicines, &c., made, prepared, or compounded, but not in accordance with formulas published in any standard dispensatory, or pharmacopœia, pharmaceutical journal, &c., are liable to stamp-tax unless the exact formula is printed upon the labels attached to such articles, and unless there is an absence of all claim to any proprietorship in the making or preparing of the same."

MATCHES AND PLAYING-CARDS.

Agents will visit the factories of match manufacturers, when such are located in their districts, and satisfy themselves that the law is strictly complied with, especially that no greater number of matches than allowed by law is put up in each box and that they are properly stamped.

If the stamps used are general proprietary stamps, they should be cancelled by writing or imprinting across the face with ink the name or initials of the proprietor, and the date of cancellation. If private stamps, they should be so affixed as to be effectually cancelled and destroyed when the package is opened.

Playing-cards and matches, whether of foreign or domestic manufacture, must be stamped, and when imported the stamp-tax is in addition to the import duty.

Agents and officers should see especially if cigar-lights or wax-tapers, whether domestic or imported, are sufficiently stamped according to the number contained in the box or package.

EXPORTATION OF PROPRIETARY ARTICLES, MATCHES AND PLAYING-CARDS.

Proprietary articles and playing-cards, on which tax has been paid, may be exported with benefit of drawback, under regulations, Series 7, No. 13, revised; and lucifer or friction-matches, cigar-lights, and wax-tapers, and all articles enumerated in Schedule A, (including proprietary articles and playing-cards,) may be removed from the factory for export without the payment of tax or affixing stamps thereto under regulations, Series 7, No. 9, revised. (Sections 3430 and 3441, as amended March 1, 1879.)

Agents should see when these articles are exported that the regulations are strictly complied with.

CHECK-STAMPS.

A tax is imposed upon all bank-checks, drafts, orders, or vouchers, and this source of revenue may be increased by more vigilance on the part of officers and agents in enforcing the provisions of the law.

The following is the substance of the rulings of the Office on this subject as embraced in Decision 177, dated April 12, 1875, as subsequently modified:

Section 15 of the act of February 8, 1875, imposes a stamp-tax of two cents upon a "bank-check, draft, order, or *voucher* for the payment of any sum of money whatsoever, drawn upon any bank, banker, or trust-company." This is the only stamp-tax upon written instruments issued on or after October 1, 1872, now in force.

It imposes the tax upon checks, orders, &c., drawn on time as well as those payable at sight or on demand; so also on receipts or other vouchers *substituted for checks, drafts, or orders, as commonly used according to the custom of banks and merchants.*

It is not believed to have been the meaning and intent of Congress to require stamps upon promissory notes made in the usual commercial form and payable at a bank, when such notes are given in good faith and in the ordinary course of business. Under a strict interpretation of the law, they might perhaps be held liable as "vouchers." It is well known, however, that the leading purpose of the enactment with regard to stamping bank-checks, vouchers, &c., (section 15, act of February 8, 1875,) was to cut off the frequent evasions of the stamp-tax on checks, as, for instance, by the use of receipts, checks payable nominally one day after date without grace, and other subterfuges.

Accordingly it is held by this Office that if there is any understanding between a bank (as shown by its practice, &c.,) and the maker of notes, or drawer or acceptor of checks, drafts, or orders payable at the bank, that all such notes and acceptances shall be paid by the bank and charged in the account of the maker, drawer, or acceptor, in the same manner as ordinary checks would be, *and to avoid the use of bank-checks,* such notes and acceptances are liable to the two-cent-stamp tax as "vouchers," for the payment of money by the bank.

But unless the notes referred to are used as substitutes for checks, &c., as evasions of the stamp-tax on checks, this Office will not insist upon their being stamped.

The law in its widest sense, and taken literally, includes

in the tax all bank "vouchers" for the payment of money. But in view of the well-known object of the enactment as above referred to, it has been the endeavor of this Office to confine its operation, as far as a practicable line can be drawn, to such vouchers as are used *as a substitute for checks, &c.*, as commonly employed, according to the custom of banks.

The above observations will also apply to drafts upon private parties not bankers, &c., accepted payable at a bank.

A receipt which performs the work of a bank-check, as, for instance, where a person who has money on deposit with a bank draws out a portion of it, but, instead of drawing it out upon a check, gives the bank his receipt therefor, which is taken by the bank and held as a voucher, is considered liable to the tax.

If a dividend due a stockholder has been credited to his deposit account upon the books of a bank, it has become a deposit, and a receipt given for it, or for any portion of it, would in the opinion of this Office be liable to stamp-tax.

But while a receipt given for a dividend which has not lost its identity by taking the form of a deposit, might perhaps under a strict construction of the statute be liable to the stamp-tax, it would not in the opinion of this Office fall within its intent and meaning, and this Office will not insist upon its being stamped.

Section 6 of the act of March 3, 1875, exempts from the tax the receipts "in the receipt-book of a savings-bank or institution for savings having no capital stock, and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits without profit or compensation to the association or company, when money is paid to a depositor on his pass-book."

The banks referred to in the above exemption are those which properly make returns on "Form 106*a*," and collectors should require stamps on the receipts of depositors in receipt-books kept by any other banks.

A certificate of deposit which is such on its face, and represents money actually deposited in a bank by the

person to whom it is issued, is not considered liable to stamp-tax, as commonly used. The money represented by such certificates should be returned and taxed as deposits.

Checks drawn on their own bank by bank officers or clerks, for their salaries, should be stamped. "Cashiers' checks," in general, issued or delivered to outside parties for payments, &c., require stamps.

Checks drawn by a bank upon itself, for the purpose of paying its own dividends, and the dividends, coupons or interest of other corporations, and *issued*, should be stamped.

Checks drawn by bank officers merely for the purpose of charging an account with items, as an inside transaction of a bank, but not *issued*, are held to be exempt.

Checks drawn by State, county, or city officers, in their official capacity, upon public funds deposited in a bank, are exempt if said funds are kept separate from private accounts.

Inland bills of exchange upon a bank, &c., and bills drawn in a foreign country upon a bank, banker, or trust company in the United States, should be stamped before being accepted, negotiated, or paid.

Interest coupons are exempt. Duplicates of bills, orders, &c., are liable the same as originals. Receipts not relating to bank business, for instance for rent, are exempt.

Drafts, bills, checks, or orders, drawn in the United States on a bank, banker, or trust company in a foreign country, are taxable.

BY WHOM EXAMINATIONS OF BANK-CHECKS ARE TO BE MADE.

Internal-revenue officers are informed that examination of national banks for the purpose of ascertaining whether the bank-checks, drafts, orders, or vouchers for the payment of money received by them are stamped as required by law, will be made by bank examiners under the direction of the Comptroller of the Currency, and not by officers of internal revenue.

Examination of bankers, trust companies, and banks

other than national banks, should continue to be made by internal-revenue officers and agents, subject to the decision of the United States Supreme Court, in case of United States, plaintiff in error, *vs.* Walter Mann, (Internal-Revenue Record, vol. 24, page 20.)

For other instructions concerning the purchase and use and redemption or exchange of internal-revenue, documentary, and proprietary stamps, consult Regulations, Series 7, No. 10.

ADHESIVE STAMPS—PENALTIES.

The following penalties are imposed by statute upon persons violating the law relative to stamps for bank-checks, &c., or proprietary articles:

Omission to stamp bank-check, &c.—(Sec. 3422, R. S.)

"Any person or persons who shall make, sign, or issue, or who shall cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, or shall accept, negotiate, or pay, or cause to be accepted, negotiated, or paid, any draft, or order, for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and cancelled in the manner required by law, with intent to evade the provisions of this title, shall, for every such offence, forfeit the sum of fifty dollars, and such instrument, document, paper, draft, or order, not being stamped according to law, shall be deemed invalid and of no effect." * * *

Failure to cancel adhesive stamps.—(Sec. 3423, R. S.)

"In all cases where an adhesive stamp is used for denoting any tax imposed under this chapter, except as hereinafter provided, the person using or affixing the same shall write thereon the initials of his name and the date on which such stamp is attached or used, so that it may not again be used. And every person who fraudulently makes use of an adhesive stamp to denote any tax imposed by this chapter without so effectually cancelling

and obliterating such stamp, except as before mentioned, shall forfeit the sum of fifty dollars." * * *

Failure to cancel adhesive stamps from private-die on proprietary articles.—(Sec. 3423, R. S.)

* * * "That any proprietor of proprietary articles, or articles subject to stamp-tax under Schedule A, shall have the privilege of furnishing, without expense to the United States, in suitable form, to be approved by the Commissioner of Internal Revenue, his own dies or designs for stamps to be used thereon, which shall be made under the direction and retained in the possession of the said Commissioner, for the separate use of such proprietor, and shall not be duplicated to any other person; and that in all cases where such stamp is used, instead of said proprietor writing the date thereon, the said stamp shall be so affixed on the box, bottle, or package, that in opening the same, or using the contents thereof, the said stamp will be effectually destroyed; and, in default thereof, such proprietor shall be liable to a penalty of fifty dollars."

Fraud in relation to certain adhesive stamps.—(Sec. 3423, R. S.)

* * * "And every person who fraudulently obtains or uses any of the aforesaid stamps, or designs therefor, or who forges or counterfeits, or causes or procures to be forged or counterfeited, any representation or similitude, or colorable imitation of the said last-mentioned stamp, or any engraver or printer who sells or gives away said stamps, or selling the same, or, being a merchant, broker, peddler, or person dealing, in whole or in part, in similar goods, wares, merchandise, manufactures, preparations, or articles, or those designed for similar objects or purposes, has knowingly or fraudulently in his possession any such forged, counterfeited likeness, similitude, or colorable imitation of the said last-mentioned stamp, shall forfeit the said stamps and the articles upon which they are placed, shall be deemed guilty of felony, and be punished by a fine not exceeding one thousand dollars, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court."

Forging, counterfeiting, &c., adhesive stamps, or fraudulently using or selling the same, &c.—(Sec. 3429, R. S., amended March 1, 1879.)

"If any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made, or used in pursuance of the provisions of this chapter, or of any previous provisions of law on the same subjects, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument as aforesaid, upon any paper, or shall stamp or mark, or cause or procure to be stamped or marked, any paper, with any such forged or counterfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter, or sell, or expose to sale, any paper, article, or thing, having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument which shall have been so provided, made, or used, as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of this chapter, or of any previous provisions of law on the same subjects, from any paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed, to, with, or upon any paper, or any instrument or writing charged or charge-

able with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall wilfully remove or cause to be removed, alter or cause to be altered, the cancelling or defacing marks on any adhesive stamp, with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or wilfully sell or buy such washed or restored stamps, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamps, which have been removed from any article, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and wilfully aiding, abetting, or assisting in committing any such offence as aforesaid, shall, on conviction thereof, forfeit the said counterfeit, washed, restored, or altered stamps, and the articles upon which they are placed, and be punished by fine not exceeding one thousand dollars, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court. And the fact that any adhesive stamp so bought, sold, offered for sale, used, or had in possession as aforesaid, has been washed or restored by removing or altering the cancelling or defacing marks thereon, shall be *prima-facie* proof that such stamp has been once used and removed by the possessor thereof from some paper, instrument, or writing, charged with taxes imposed by law, in violation of the provisions of this section."

Selling or removing articles for sale without affixing stamps, &c.—(Sec. 3430, R. S.)

"Whenever any person makes, prepares, and sells, or removes for consumption or sale. drugs, medicines, prepa-

rations, compositions, articles, or things, including perfumery, cosmetics, lucifer or friction-matches, cigar-lights, wax tapers, and playing-cards, whether of domestic manufacture or imported, upon which a tax is imposed by law, as enumerated and mentioned in Schedule A, without affixing thereto an adhesive stamp or label denoting the tax before mentioned, he shall incur a penalty of fifty dollars for every omission to affix such stamp." * * *

Removing stamps from articles in Schedule A.—(Sec. 3431, R. S.)

"Every manufacturer or maker of any of the articles for sale mentioned in Schedule A, who, after the same are so made, and the particulars hereinbefore required as to stamps have been complied with, takes off, removes, or detaches, or causes, or permits, or suffers to be taken off, or removed, or detached, any stamp, or who uses any stamp, or any wrapper or cover to which any stamp is affixed, to cover any other article or commodity than that originally contained in such wrapper or cover, with such stamp when first used, with the intent to evade the stamp-duties, shall, for every such article, respectively, in respect of which any such offence is committed, be subject to a penalty of fifty dollars, to be recovered together with the costs thereupon accruing; and every such article or commodity as aforesaid shall also be forfeited."

Selling, &c., articles in Schedule A without affixing stamp.—(Sec. 3432, R. S.)

"Every maker or manufacturer of any of the articles or commodities mentioned in Schedule A, who, to evade the duty chargeable thereon, or any part thereof, sells, exposes for sale, sends out, removes, or delivers any article or commodity, manufactured as aforesaid, before the duty thereon has been fully paid, by affixing thereon the proper stamp, as provided by law, or who, to evade as aforesaid, hides or conceals, or causes to be hidden or concealed, or removes or conveys away, or deposits, or causes to be removed or conveyed away from or deposited

in any place, any such article or commodity, shall be subject to a penalty of one hundred dollars, together with the forfeiture of any such article or commodity."

ADHESIVE STAMPS—FORFEITURES.

The following forfeitures are imposed by statute on persons violating the law relative to adhesive stamps:

Removing stamps from articles in Schedule A.—(Sec. 3431, R. S.)

"Every manufacturer or maker of any of the articles for sale mentioned in Schedule A, who, after the same are so made, and the particulars hereinbefore required as to stamps have been complied with, takes off, removes, or detaches, or causes, or permits, or suffers to be taken off, or removed, or detached, any stamp, or who uses any stamp, or any wrapper or cover to which any stamp is affixed, to cover any other article or commodity than that originally contained in such wrapper or cover, with such stamp when first used, with the intent to evade the stamp-duties, shall, for every such article, respectively, in respect of which any such offence is committed, be subject to a penalty of fifty dollars, to be recovered together with the costs thereupon accruing; and every such article or commodity as aforesaid shall also be forfeited."

Selling, &c., articles in Schedule A, without affixing stamp.—(Sec. 3432, R. S.)

"Every maker or manufacturer of any of the articles or commodities mentioned in Schedule A, who, to evade the duty chargeable thereon, or any part thereof, sells, exposes for sale, sends out, removes, or delivers any article or commodity, manufactured as aforesaid, before the duty thereon has been fully paid, by affixing thereon the proper stamp, as provided by law, or who to evade as aforesaid hides or conceals, or causes to be hidden or concealed, or removes or conveys away, or deposits, or causes to be removed or conveyed away from or deposited in any place, any such article or commodity, shall be subject to a penalty of one hundred dollars, together with the forfeiture of any such article or commodity."

Persons offering for sale articles under Schedule A to be regarded as manufacturers.—(Sec. 3435, R. S.)

Every person who offers or exposes for sale any of the articles named in Schedule A, whether the articles so offered or exposed are of foreign manufacture and imported or are of domestic manufacture, shall be deemed the manufacturer thereof, and subject to all the duties, liabilities, and penalties imposed by law in regard to the sale of domestic articles without the use of the proper stamps denoting the tax paid thereon, and all such articles of foreign manufacture shall, in addition to the import duties imposed on the same, be subject to the stamp-tax, respectively, prescribed in said schedule.

ASSESSMENT OF UNPAID TAXES PAYABLE BY STAMPS.

Whenever any article upon which a tax is required to be paid by means of a stamp is sold or removed for sale by the manufacturer thereof, without the use of the proper stamp, in addition to the penalties imposed by law for such sale or removal, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such removal or sale, upon such information as he can obtain, to estimate the amount of the tax which has been omitted to be paid, and to make an assessment therefor upon the manufacturer or producer of such articles. Such assessment shall be transmitted to the collector, who shall immediately demand payment of such tax, and, upon the neglect or refusal of payment by such manufacturer or producer, shall proceed to collect the same in the manner provided for the collection of other assessed taxes.—(Section 3437.)

BANKS AND BANKERS.

Attention should be given to the tax on the capital, deposits, and circulation of banks, especially to the liability of persons engaged in the business of banking, other than national banks.

Every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale, shall be regarded as a bank or as a banker.—(Section 3407, Revised Statutes.)

The rates of taxation are fully set forth in the schedule of articles and objects of taxation, printed in this Manual. Reference should be had to sections 3407 to 3417, inclusive, Revised Statutes, as subsequently amended, for the law on the subject.

The taxes imposed upon the circulation, deposits, and capital stock of national banks are returned and paid directly to the Treasurer of the United States. No returns for the same are required to be made to the Office of Internal Revenue.—(Sections 5214 and 5215, Revised Statutes.)

Attention is particularly called to sections 3412 and 3413, Revised Statutes, and sections 19 and 20, act February 8, 1875, imposing a tax of 10 per cent. on notes of State banks, banking associations, town, city or municipal corporations, or any other corporation, person, firm, or association, used for circulation and paid out.

The internal-revenue law thus imposes a tax of 10 per cent. upon notes used for circulation and paid out except those of national banking associations. Railroad and mining corporations have heretofore in many cases issued their notes which are used for circulation in the locality where the corporation is known, and are liable to this tax. Any case of liability to this tax that may come to the knowledge of revenue agents or officers should be promptly reported to this office for instructions.

DISCOVERY OF UNPAID TAXES.

This is a subject which has been largely committed to the revenue agents' branch of the Service, and is commended to their particular attention. Not only such objects and articles as are now liable to taxation, but such as were formerly taxable can now be embraced within the scope of investigation.

In the decision of the United States Supreme Court in the case of the Dollar Savings Bank, plaintiff in error, *vs.* The United States, (see pages 89–90, vol. 19, Internal-Revenue Record,) it is held that the Government may bring an action for the recovery of taxes, not only of such as are assessed, but also of those which are not assessed, and likewise of those which on account of the statute of limitations are not assessable.

In cases where the limitation on the power of assessment has expired, delinquents should be informed that if they will make a written waiver of their exemption from assessment across the face of the returns, the taxes will be assessed without penalty.

Where an agent or officer receives information of unpaid taxes accruing at a period somewhat remote, and where the investigation would consume considerable time, he should, before proceeding with it, report the case to this Office for instructions.

As information of unpaid taxes of railroad companies is frequently referred to revenue agents and collectors for investigation, a compendium of the law particularly affecting those corporations is hereto appended, with some general directions to govern the examinations in such cases.

GROSS RECEIPTS.

The following taxes accrued from and after September 1, 1862, to wit:

On the gross passenger-receipts of railroads (on which steam was used as a propelling power) or steam-vessels, a tax of 3 per cent.

Under sections 103 and 104, act June 30, 1864, the following taxes accrued from and after that date, to wit:

On the entire gross receipts of railroads, canals, steamboats, ships, barges, canal-boats, or other vessels, stage-coaches, or other vehicles engaged in transporting passengers or property for hire, or in transporting the mails of the United States, and on the gross receipts of canals, the water of which was used for mining purposes, a tax of 2½ per cent.

The above rates of tax prevailed (except in the case of toll-roads and in the case of canals the water of which was used for mining purposes) until October 1, 1870, and thereafter (by virtue of the act of July 14, 1870) taxes ceased to accrue on any gross receipts.

Section 34, act March 2, 1867, abolished the tax on receipts of toll-roads from and after its passage; and section 9, act July 13, 1866, abolished the tax on receipts of canals used for mining purposes on and after August 1, 1866, and also released from liability receipts for transportation of property, (except in the case of toll-roads, ferries, and bridges,) and also exempted receipts derived from the carriage of the mails of the United States on contracts made after July 31, 1866.

INTEREST, DIVIDENDS, AND UNDIVIDED PROFITS.

Under sections 81 and 82, act of July 1, 1862, the following taxes accrued from and after September 1, 1862, and until June 30, 1864, to wit:

On the interest of railroad bonds or coupons representing such interest, and all dividends in scrip or money declared due or payable, a tax of 3 per cent.

On and after July 1, 1864, as follows:

On the interest of bonds of any railroad, canal, turn pike, canal-navigation or slackwater company, or coupons representing the interest, and all dividends in scrip or money declared due or payable, to stockholders of any railroad, canal, turnpike, canal-navigation or slackwater company, as part of the earnings, profits, income, or gains of such company, and on all profits carried to the account of any fund, or used for construction, a tax of 5 per cent.

By act of March 10, 1866, this tax was declared to extend to dividends, interest, or profits, wherever payable, and

referred to dividends, &c., due to all stockholders, &c., including non-residents, whether citizens or aliens.

The rate of 5 per cent. continued until August 1, 1870, from which time, under act July 14, 1870, the above-mentioned taxes on dividends, interest, and profits accrued at the rate of 2½ per cent. until December 31, 1871, when they ceased to accrue.

A dividend declared November 1, 1870, out of the profits of the six months next preceding, would be liable to a tax at the rate of 5 per cent. upon so much thereof as was earned prior to August 1, 1870, and a tax of 2½ per cent. on the remainder.

A dividend declared since December 31, 1871, from profits which accrued prior to January 1, 1872, is liable to tax on the whole amount.

A dividend declared since December 31, 1871, out of profits which accrued partly before and partly since that date, is liable upon so much thereof as was earned prior to it.

The same principle applies to coupons and interest, and is in accordance with the reasoning of the Supreme Court in the case of Barnes *vs.* The Railroads.

A great aid in determining many questions in regard to the liability to taxation of railroad companies will be to consult the annual reports generally made by them to their stockholders, in which are described the sources of revenue and the manner of its expenditure. Where such reports can be obtained the examiner will forward with his report such as cover the period when the taxes were levied.

The question of what constitutes "profits used in construction" is often difficult to decide, and a few general rules only can be given to guide the examiner.

The condition of the road and rolling-stock when the law took effect, September 1, 1862, should be taken as the basis. Any profits expended to put the road or rolling-stock in better condition than it was then is a profit used in construction, and should not be allowed as an operating expense.

Care should be taken to exclude from the expense account all charges for new cars and locomotives, (unless

to replace such as have been destroyed or worn out,) discount on bonds sold, estimated depreciation of property, tax on interest, dividends, and undivided profits, and like charges.

Where steel rails have been substituted for iron, the difference in cost should be excluded from repair account. Where a road has been ballasted for the first time, the outlay is not a proper charge to repair account. Where old iron has been taken from the main track and used for making side-tracks, the cost of new iron to replace it on the main track should not be allowed as an expense.

Where an iron bridge is built to replace a wooden one, only the value of a wooden bridge should be allowed.

The same rule would apply to buildings where a more costly structure was built to replace another.

If dividends or interest on bonds were paid in coin, the taxes should be calculated on a legal-tender currency basis.

INCOME.

Recent decisions of the courts have affirmed the right of the United States to sue for unpaid income-taxes, accruing during the years from 1862 to 1871, inclusive, even although return was made for an insufficient amount, or where the party neglected or refused to make a return, and an assessment was made for less than the sum due. (See the cases of United States *vs.* Rowland G. Hazard, 22 Internal-Revenue Record, p. 309, and United States *vs.* Samuel J. Tilden, 24 Internal-Revenue Record, p. 99.)

The law relative to income-tax is to be found in sections 116 to 123, inclusive, act June 30, 1864, as amended, and sections 6 to 16, act July 14, 1870.

Agents are directed to ascertain if any unpaid income-taxes are to be found in their districts, and report the facts to this Office for instructions.

TAXES ON LEGACIES AND SUCCESSIONS.

It is believed that a large number of legacies and successions which have become due and payable both before and since October 1, 1870, have escaped taxation through

the neglect of revenue officers. Revenue agents and deputy collectors should consult the registries of wills and the records of probate or orphans' courts, so far as they are able, in their respective districts, for the purpose of gaining information which will lead to the collection of unpaid taxes of this kind.

Explicit instructions with reference to liability to these taxes are contained in Regulations, Series 7, No. 3, to which agents and officers are referred.

The provisions of the Revised Statutes relating to these taxes are as follows:

SEC. 3438. There shall be paid to the United States, in respect of every legacy or distributive share arising from personal property, and of any personal property or interest therein, which is now subject to tax or duty under the provisions of acts in force prior to the first day of October, eighteen hundred and seventy, a duty or tax as follows, that is to say:

First. Where the person or persons entitled to any beneficial interest in such property shall be the lineal issue or lineal ancestor, brother or sister, to the person who died possessed of such property as aforesaid, at the rate of one dollar for each and every hundred dollars of the clear value of such interest in such property.

Second. Where the person or persons entitled to any beneficial interest in such property shall be a descendant of a brother or sister of the person who died possessed, as aforesaid, at the rate of two dollars for each and every hundred dollars of the clear value of such interest.

Third. Where the person or persons entitled to any beneficial interest in such property shall be a brother or sister of the father or mother, or a descendant of a brother or sister of the father or mother, of the person who died possessed, as aforesaid, at the rate of four dollars for each and every hundred dollars of the clear value of such interest.

Fourth. Where the person or persons entitled to any beneficial interest in such property shall be a brother or sister of the grandfather or grandmother, or a descendant of the brother or sister of the grandfather or grandmother, of the person who died possessed, as aforesaid,

at the rate of five dollars for each and every hundred dollars of the clear value of such interest.

Fifth. Where the person or persons entitled to any beneficial interest in such property shall be in any other degree of collateral consanguinity than is hereinbefore stated, or shall be a stranger in blood to the person who died possessed, as aforesaid, or shall be a body politic or corporate, at the rate of six dollars for each and every hundred dollars of the clear value of such interest: *Provided*, That all legacies or property passing by will, or by the laws of any State or Territory, to husband or wife of the person who died possessed, as aforesaid, shall be exempt from tax or duty: *And provided further*, That any legacy or share of personal property passing, as aforesaid, to a minor child of the person who died possessed, as aforesaid, shall be exempt from taxation under this section, unless such legacy or share exceeds the sum of one thousand dollars, in which case the excess only above that sum shall be liable to such taxation.

SEC. 3439. There shall be levied and paid to the United States, in respect of every succession which is now subject to tax under the provisions of acts in force, prior to the first day of October, eighteen hundred and seventy, according to the value thereof, the following duties, that is to say:

Where the successor shall be the lineal issue or lineal ancestor of the predecessor, a duty at the rate of one dollar per centum upon such value.

Where the successor shall be a brother or sister, or a descendant of a brother or sister of the predecessor, a duty at the rate of two dollars per centum upon such value.

Where the successor shall be a brother or sister of the father or mother, or a descendant of a brother or sister of the father or mother of the predecessor, a duty at the rate of four dollars per centum upon such value.

Where the successor shall be a brother or sister of the grandfather or grandmother, or a descendant of the brother or sister of the grandfather or grandmother of the predecessor, a duty at the rate of five dollars per centum upon such value.

Where the successor shall be in any other degree of

collateral consanguinity to the predecessor than is hereinbefore described, or shall be a stranger in blood to him, a duty at the rate of six dollars per centum upon such value.

SEC. 3440. The Commissioner of Internal Revenue is required to make the inquiries, determinations, and assessments, provided by acts in force, prior to the first day of October, eighteen hundred and seventy, of all taxes upon legacies and successions liable to be assessed or accruing thereon under the provisions of such acts; and he shall certify such assessments, when made, to the proper collectors, respectively, who shall proceed to collect and account for taxes so certified in the same manner as is provided for the collection of the same by such acts.

REWARDS FOR INFORMATION.

The system of official moieties having been abolished, officers and agents of internal revenue are not entitled to any rewards for the discovery of fraud or unpaid taxes. Agents will be frequently asked by private persons what reward is paid for information which shall lead to the detection of fraud and the collection of back taxes, and the following announcements of this Office, which are still in force, are printed to enable them to answer such inquiries:

CIRCULAR NO. 99, REVISED.

Concerning rewards for information leading to the detection and punishment of persons violating internal-revenue laws.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, July 31, 1873.

Under and by virtue of the provisions of the thirty-ninth section of an act entitled "An act to reduce duties on imports and to reduce internal taxes, and for other purposes," approved June 6, 1872, which authorizes the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to pay such sums as may, in his judgment, be deemed necessary, not exceeding one hundred thousand dollars, for detecting and bringing to trial and punishment persons guilty of violating the internal-

revenue laws, or conniving at violations of the same, in cases where such expenses are not otherwise provided for by law, I do hereby, with the approval of the Secretary of the Treasury, offer for information given by persons other than officers of internal revenue, that shall lead to the detection and punishment of persons guilty of violating internal-revenue laws, or conniving at the same, whether such punishment be by fine, or other pecuniary mulct or penalty, or by forfeiture of property, such reward as the Commissioner of Internal Revenue may deem suitable, but in no case exceeding ten per centum of the net amount of the fines, penalties, forfeitures, and taxes, which, by reason of said information, shall be recovered by suit or otherwise, and actually paid to the United States, or of any sum which shall be accepted in compromise by the Commissioner of Internal Revenue and received by the United States; such rewards to be paid in cases which are settled in court, upon the duly authenticated certificate of the United States district attorney having charge of the case or cases, that the person claiming is the person who furnished the information which led to the detection and punishment of the violations of law for which the recovery was had, and upon such other and additional proofs as the Commissioner may require.

In cases in which property seized, being of the appraised value of five hundred dollars or less, is disposed of by the collector under the provisions of section 63 of the act of July 13, 1866, as amended, the certificate of the collector to that fact will be received, and also to the fact that the person claiming the reward is the person who furnished the information leading to such forfeiture.

The rewards hereby offered must be understood to be limited in their aggregate to the sum appropriated therefor, as above stated.

This offer will apply to cases in which the information has been or shall be given on or after the sixteenth day of July, 1873.

B. J. SWEET,
Acting Commissioner.

Approved:
WM. A. RICHARDSON,
Secretary of the Treasury.

FIFTY DOLLARS REWARD.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 10, 1875.

The reward offered on the 17th day of March, 1869, for information that should lead to the forfeiture of any distillery whose proprietor had not given the notice required by law, and which information should also lead to the conviction and sentence of any person operating the said distillery, is hereby revoked; and I hereby, with the advice and consent of the Secretary of the Treasury, offer to persons other than officers of internal revenue, the sum of fifty dollars for information that shall lead to the seizure of a distillery containing one or more stills of an aggregate capacity of not less than forty gallons, the proprietor of which distillery has not given the notice required by law, and which is being used for the unlawful distillation of spirits, and which information shall also lead to the arrest and holding to bail (or, for want of bail, to the imprisonment) of any person operating such distillery, and to the recognizance of such witnesses in the case as shall, in the opinion of the district attorney of the United States for the district within which the offence was committed, be sufficient to insure the conviction of the person accused.

This reward will be promptly paid upon the presentation at this Office of satisfactory evidence that the terms of the offer have been complied with.

The certificates of the district attorney and collector of internal revenue acting for the district, as to the character of the information and of the proceedings thereon taken, may be presented as evidence of the facts in the case.

J. W. DOUGLASS,
Commissioner.

Approved:
B. H. BRISTOW, *Secretary.*

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, December 1, 1875.

After this date the above reward is offered only to persons other than officers of internal revenue, or persons appointed or employed in, or acting in connection with the internal-revenue service.

D. D. PRATT,
Commissioner.

Approved:
B. H. BRISTOW, *Secretary.*

The operation of the above offer of reward has been suspended in the States of North Carolina, South Carolina, Georgia, Alabama, Mississippi, Tennessee, Arkansas, Missouri, Kentucky, Virginia, and West Virginia, where other and more effective methods for the suppression of illicit distillation have been employed.

PENALTIES COMMON TO SEVERAL OBJECTS OF TAXATION.

Refusing to admit internal-revenue officer in the daytime to any place where taxable articles are kept.—(Sec. 3177, R. S.)

"Any collector, deputy, collector, or inspector may enter, in the daytime, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as it may be necessary, for the purpose of examining said articles or objects. And any owner of such building or place, or person having the agency or superintendence of the same, who refuses to admit such officer, or to suffer him to examine such article or articles, shall, for every such refusal, forfeit five hundred dollars." * * *

Forcibly obstructing or hindering internal-revenue officer in the execution of law, or rescuing property seized.—(Sec. 3177, R. S.)

"And if any person shall forcibly obstruct or hinder any collector, deputy collector, or inspector, in the execu-

tion of any power and authority vested in him by law, or shall forcibly rescue or cause to be rescued any property, articles, or objects after the same shall have been seized by him, or shall attempt or endeavor so to do, the person so offending, excepting in cases otherwise provided for, shall, for every such offence, forfeit and pay the sum of five hundred dollars, or double the value of the property so rescued, or be imprisoned for a term not exceeding two years, at the discretion of the court."

Person delivering, &c., any false or fraudulent return, &c., or neglecting to appear and produce books.—(Sec. 3179, R. S.)

"Whenever any person delivers or discloses to the collector or deputy any false or fraudulent list, return, account, or statement, with intent to defeat or evade the valuation, enumeration, or assessment intended to be made, or, being duly summoned to appear to testify, or to appear and produce such books as aforesaid, neglects to appear or to produce said books, he shall be fined not exceeding one thousand dollars, or be imprisoned not exceeding one year, or both, at the discretion of the court, with costs of prosecution."

Fraudulent claims for drawback.—(Sec. 3443, R. S.)

"Whenever any person fraudulently claims or seeks to obtain an allowance of drawback on goods, wares, or merchandise on which no internal duty shall have been paid, or fraudulently claims any greater allowance of drawback than the tax actually paid as aforesaid, he shall forfeit triple the amount wrongfully or fraudulently claimed or sought to be obtained, or the sum of five hundred dollars, at the election of the Secretary of the Treasury."

Removing or concealing articles with intent to defraud the United States.—(Sec. 3450, R. S.)

* * * "And every person who removes, deposits, or conceals, or is concerned in removing, depositing, or concealing any goods or commodities for or in respect whereof any tax is or shall be imposed, with intent to defraud the United States of such tax or any part thereof,

shall be liable to a fine or penalty of not more than five hundred dollars." * * *

Fraudulently executing documents required by internal-revenue laws.—(Sec. 3451, R. S.)

"Every person who simulates or falsely or fraudulently executes or signs any bond, permit, entry, or other document required by the provisions of the internal-revenue laws, or by any regulation made in pursuance thereof, or who procures the same to be falsely or fraudulently executed, or who advises, aids in, or connives at such execution thereof, shall be imprisoned for a term not less than one year nor more than five years; and the property to which such false or fraudulent instrument relates shall be forfeited."

Having property in possession with intent to sell in fraud of the internal-revenue laws.—(Sec. 3452, R. S.)

"Every person who shall have in his custody or possession any goods, wares, merchandise, articles, or objects on which taxes are imposed by law, for the purpose of selling the same in fraud of the internal-revenue laws, or with design to avoid payment of the taxes imposed thereon, shall be liable to a penalty of five hundred dollars or not less than double the amount of taxes fraudulently attempted to be evaded."

Disposing of or receiving empty stamped packages, manufacturing the same, &c.—(Sec. 3455, R. S.)

"Whenever any person sells, gives, purchases, or receives any box, barrel, bag, vessel, package, wrapper, cover, or envelope of any kind, stamped, branded, or marked in any way so as to show that the contents or intended contents thereof have been duly inspected, or that the tax thereon has been paid, or that any provision of the internal-revenue laws has been complied with, whether such stamping, branding, or marking may have been a duly authorized act or may be false and counterfeit, or otherwise without authority of law, said box, barrel, bag, vessel, package, wrapper, cover, or envelope

being empty, or containing anything else than the contents which were therein when said articles had been so lawfully stamped, branded, or marked by an officer of the revenue, he shall be liable to a penalty of not less than fifty nor more than five hundred dollars. And every person who makes, manufactures, or produces any box, barrel, bag, vessel, package, wrapper, cover, or envelope, stamped, branded, or marked, as above described, or stamps, brands, or marks the same, as hereinbefore recited, shall be liable to a penalty as before provided in this section. And every person who violates the foregoing provisions of this section, with intent to defraud the revenue, or to defraud any person, shall be liable to a fine of not less than one thousand nor more than five thousand dollars, or to imprisonment for not less than six months nor more than five years, or to both, at the discretion of the court. And all articles sold, given, purchased, received, made, manufactured, produced, branded, stamped, or marked in violation of the provisions of this section, and all their contents, shall be forfeited to the United States."

Distillers, rectifiers, wholesale liquor-dealers, and manufacturers of tobacco and cigars, for omitting things required and for doing things forbidden by internal-revenue laws.—(Sec. 3456, R. S.)

"If any distiller, rectifier, wholesale liquor-dealer, or manufacturer of tobacco or cigars, shall knowingly or wilfully omit, neglect, or refuse to do or cause to be done any of the things required by law in the carrying on or conducting of his business, or shall do anything by this title prohibited, if there be no specific penalty or punishment imposed by any other section of this title for the neglecting, omitting or refusing to do, or for the doing or causing to be done the thing required or prohibited, he shall pay a penalty of one thousand dollars; and if the person so offending be a distiller, rectifier, or wholesale liquor dealer, all distilled spirits or liquors owned by him or in which he has any interest as owner, and if he be a manufacturer of tobacco or cigars, all tobacco or cigars found in his manufactory shall be forfeited to the United States."

Rescuing seized property from a revenue officer.—(Sec. 5446, R. S.)

"Every person who dispossesses or rescues, or attempts to dispossess or rescue, any property taken or detained by any officer or other person under the authority of any revenue law of the United States, or aids or assists therein, shall be imprisoned not more than twelve months, and fined not more than three hundred dollars."

FORFEITURES COMMON TO SEVERAL OBJECTS OF TAXATION.

Removing any spirituous or fermented liquors or wines under other than trade names.—(Sec. 3449, R. S.)

"Whenever any person ships, transports, or removes any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or causes such act to be done, he shall forfeit said liquors or wines, and casks or packages, and be subject to pay a fine of five hundred dollars."

Removing or concealing articles with intent to defraud the United States of tax.—(Sec. 3450, R. S.)

"Whenever any goods or commodities for or in respect whereof any tax is or shall be imposed, or any materials, utensils, or vessels proper or intended to be made use of for or in the making of such goods or commodities are removed, or are deposited or concealed in any place, with intent to defraud the United States of such tax, or any part thereof, all such goods and commodities, and all such materials, utensils, and vessels, respectively, shall be forfeited; and in every such case all the casks, vessels, cases, or other packages whatsoever, containing, or which shall have contained, such goods or commodities, respectively, and every vessel, boat, cart, carriage, or other conveyance whatsoever, and all horses or other animals, and all things used in the removal or for the deposit or concealment thereof, respectively, shall be forfeited. * * *

And all boilers, stills, or other vessels, tools and implements, used in distilling or rectifying, and forfeited under any of the provisions of this title, and all condemned material, together with any engine or other machinery connected therewith, and all empty barrels, and all grain or other material suitable for distillation, shall, under the direction of the court in which the forfeiture is recovered, be sold at public auction, and the proceeds thereof, after deducting the expenses of sale, shall be disposed of according to law. And all spirits or spirituous liquors which may be forfeited under the provisions of this title, unless herein otherwise provided, shall be disposed of by the Commissioner of Internal Revenue as the Secretary of the Treasury may direct."

Property found in possession of any person in fraud of internal-revenue laws.—(Sec. 3453, R. S.)

"All goods, wares, merchandise, articles, or objects, on which taxes are imposed, which shall be found in the possession, or custody, or within the control of any person, for the purpose of being sold or removed by him in fraud of the internal-revenue laws, or with design to avoid payment of said taxes, may be seized by the collector or deputy collector of the proper district, or by such other collector or deputy collector as may be specially authorized by the Commissioner of Internal Revenue for that purpose, and shall be forfeited to the United States. And all raw materials found in the possession of any person intending to manufacture the same into articles of a kind subject to tax for the purpose of fraudulently selling such manufactured articles, or with design to evade the payment of said tax; and all tools, implements, instruments, and personal property whatsoever, in the place or building, or within any yard or enclosure where such articles or raw materials are found, may also be seized by any collector or deputy collector, as aforesaid, and shall be forfeited as aforesaid. The proceedings to enforce such forfeiture shall be in the nature of a proceeding *in rem* in the circuit court or district court of the United States for the district where such seizure is made."

Sales of property to evade tax or in fraud of internal-revenue laws.—(Sec. 3454, R. S.)

"Whenever any person who is liable to pay any tax upon any goods, wares, or merchandise, sells or causes or allows the same to be sold before the tax is paid to which said property is liable, with intent to avoid such tax, or in fraud of the internal-revenue laws, any debt contracted in such sale, and any security given therefor, unless the same shall have been *bona fide* transferred to an innocent holder, shall be void, and the collection thereof shall not be enforced in any court. And if such goods, wares, or merchandise have been paid for, in whole or in part, the sum so paid shall be deemed forfeited, and any person who shall sue for the same in an action of debt shall recover from the seller the amount so paid, one-half to his own use and the other half to the use of the United States."

Disposing of or receiving empty stamped packages, manufacturing the same, &c.—(Sec. 3455, R. S.)

"Whenever any person sells, gives, purchases, or receives any box, barrel, bag, vessel, package, wrapper, cover, or envelope of any kind, stamped, branded, or marked in any way so as to show that the contents or intended contents thereof have been duly inspected, or that the tax thereon has been paid, or that any provision of the internal-revenue laws has been complied with, whether such stamping, branding, or marking may have been a duly authorized act or may be false and counterfeit, or otherwise without authority of law, said box, barrel, bag, vessel, package, wrapper, cover, or envelope being empty, or containing anything else than the contents which were therein when said articles had been so lawfully stamped, branded, or marked by an officer of the revenue, he shall be liable to a penalty of not less than fifty nor more than five hundred dollars. And every person who makes, manufactures, or produces any box, barrel, bag, vessel, package, wrapper, cover, or envelope, stamped, branded, or marked, as above described, or stamps, brands, or marks the same, as hereinbefore recited, shall be liable to penalty

as before provided in this section. And every person who violates the foregoing provisions of this section, with intent to defraud the revenue, or to defraud any person, shall be liable to a fine of not less than one thousand nor more than five thousand dollars, or to imprisonment for not less than six months nor more than five years, or to both, at the discretion of the court. And all articles sold, given, purchased, received, made, manufactured, produced, branded, stamped, or marked in violation of the provisions of this section, and all their contents, shall be forfeited to the United States."

Distillers, rectifiers, wholesale liquor-dealers, and manufacturers of tobacco or cigars, for omitting things required, and for doing things forbidden by internal-revenue laws.—(Sec. 3456, R. S.)

"If any distiller, rectifier, wholesale liquor-dealer, or manufacturer of tobacco or cigars shall knowingly or wilfully omit, neglect, or refuse to do or cause to be done any of the things required by law in the carrying on or conducting of his business, or shall do anything by this title prohibited, if there be no specific penalty or punishment imposed by any other section of this title for the neglecting, omitting, or refusing to do, or for the doing or causing to be done the thing required or prohibited, he shall pay a penalty of one thousand dollars; and if the person so offending be a distiller, rectifier, or wholesale dealer, all distilled spirits or liquors owned by him or in which he has any interest as owner, and if he be a manufacturer of tobacco or cigars, all tobacco or cigars found in his manufactory shall be forfeited to the United States."

GENERAL PROVISIONS RELATIVE TO FORFEITURES.

When any property on which taxes are imposed, found in possession or within the control of any person for the purpose of being sold or removed by him, in fraud of the internal-revenue laws, or with design to avoid payment of taxes, is seized, if the same is liable to perish or become greatly reduced in value by keeping, or when it cannot be

kept without great expense, and if, in the opinion of the said collector, it should be sold to prevent waste or expense, the same may be bonded by the owner, or if he shall neglect or refuse to give bond, it may be sold and the proceeds, after deducting costs of seizure and sale, paid to the court.—(Section 3459, Revised Statutes.)

In cases of seizure of property subject to forfeiture under any provision of the internal-revenue laws, which, in the opinion of the collector or deputy collector making the seizure, is of the value of five hundred dollars or less, the property seized shall, in cases except otherwise provided, be disposed of as provided in Sec. 3460, Revised Statutes.

In every case where goods or commodities are forfeited under any internal-revenue law, all casks, vessels, cases, or other packages whatsoever, containing, or which shall have contained such goods or commodities, shall be forfeited.—(Section 3457, Revised Statutes.)

PENALTIES FOR OFFICIAL MISCONDUCT.

Issuing of any stamp indicating payment of tax by collector, deputy collector, or employé before payment for same.—(Sec. 1, Act of March 1, 1879.)

"Any collector of internal revenue, or any deputy collector or other employé of, or person acting for, such collector, who shall issue any stamp or stamps indicating the payment of any internal-revenue tax, before payment in full therefor has been made to the officer or person issuing the same, shall be deemed guilty of a misdemeanor, and shall be fined for each stamp thus issued an amount equal to the face value thereof, in addition to the liability of the collector on his official bond on account of such stamp; and such collector, deputy collector, or employé shall be dismissed from office."

Failure to deposit public money as required by law.—(Sec. 5492, R. S.)

"Every person who, having money of the United States in his hands or possession, fails to make deposit of the same with the treasurer, or some assistant treasurer, or

tion of any power and authority vested in him by law, or shall forcibly rescue or cause to be rescued any property, articles, or objects after the same shall have been seized by him, or shall attempt or endeavor so to do, the person so offending, excepting in cases otherwise provided for, shall, for every such offence, forfeit and pay the sum of five hundred dollars, or double the value of the property so rescued, or be imprisoned for a term not exceeding two years, at the discretion of the court."

Person delivering, &c., any false or fraudulent return, &c., or neglecting to appear and produce books.—(Sec. 3179, R. S.)

"Whenever any person delivers or discloses to the collector or deputy any false or fraudulent list, return, account, or statement, with intent to defeat or evade the valuation, enumeration, or assessment intended to be made, or, being duly summoned to appear to testify, or to appear and produce such books as aforesaid, neglects to appear or to produce said books, he shall be fined not exceeding one thousand dollars, or be imprisoned not exceeding one year, or both, at the discretion of the court, with costs of prosecution."

Fraudulent claims for drawback.—(Sec. 3443, R. S.)

"Whenever any person fraudulently claims or seeks to obtain an allowance of drawback on goods, wares, or merchandise on which no internal duty shall have been paid, or fraudulently claims any greater allowance of drawback than the tax actually paid as aforesaid, he shall forfeit triple the amount wrongfully or fraudulently claimed or sought to be obtained, or the sum of five hundred dollars, at the election of the Secretary of the Treasury."

Removing or concealing articles with intent to defraud the United States.—(Sec. 3450, R. S.)

* * * "And every person who removes, deposits, or conceals, or is concerned in removing, depositing, or concealing any goods or commodities for or in respect whereof any tax is or shall be imposed, with intent to defraud the United States of such tax or any part thereof,

shall be liable to a fine or penalty of not more than five hundred dollars." * * *

Fraudulently executing documents required by internal-revenue laws.—(Sec. 3451, R. S.)

"Every person who simulates or falsely or fraudulently executes or signs any bond, permit, entry, or other document required by the provisions of the internal-revenue laws, or by any regulation made in pursuance thereof, or who procures the same to be falsely or fraudulently executed, or who advises, aids in, or connives at such execution thereof, shall be imprisoned for a term not less than one year nor more than five years; and the property to which such false or fraudulent instrument relates shall be forfeited."

Having property in possession with intent to sell in fraud of the internal-revenue laws.—(Sec. 3452, R. S.)

"Every person who shall have in his custody or possession any goods, wares, merchandise, articles, or objects on which taxes are imposed by law, for the purpose of selling the same in fraud of the internal-revenue laws, or with design to avoid payment of the taxes imposed thereon, shall be liable to a penalty of five hundred dollars or not less than double the amount of taxes fraudulently attempted to be evaded."

Disposing of or receiving empty stamped packages, manufacturing the same, &c.—(Sec. 3455, R. S.)

"Whenever any person sells, gives, purchases, or receives any box, barrel, bag, vessel, package, wrapper, cover, or envelope of any kind, stamped, branded, or marked in any way so as to show that the contents or intended contents thereof have been duly inspected, or that the tax thereon has been paid, or that any provision of the internal-revenue laws has been complied with, whether such stamping, branding, or marking may have been a duly authorized act or may be false and counterfeit, or otherwise without authority of law, said box, barrel, bag, vessel, package, wrapper, cover, or envelope

verted, appropriated, or applied, and shall be punished by imprisonment with hard labor for a term not less than one year nor more than ten years, or by a fine of not more than the amount embezzled or less than one thousand dollars, or by both such fine and imprisonment."

"And any officer connected with, or employed in, the internal-revenue service of the United States, and any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or other property of the United States, and any officer of the United States, or any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or property which may have come into his possession or under his control in the execution of such office or employment, or under color or claim of authority as such officer or assistant, whether the same shall be the money or property of the United States or of some other person or party, shall, where the offence is not otherwise punishable by some statute of the United States, be punished by a fine equal to the value of the money and property thus embezzled or converted, or by imprisonment not less than three months nor more than ten years, or by both such fine and imprisonment."

District attorney or marshal accepting or demanding anything for compromise of violations of internal-revenue laws.—(Sec. 3170, R. S.)

"Every district attorney or marshal who demands, or accepts, or attempts to collect, directly or indirectly, as payment or gift or otherwise, any sum of money or other property of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of any provision of the internal-revenue laws, except as expressly authorized by law to do so, shall be held to be guilty of a misdemeanor, and shall be fined in double the sum or value of the money or property received or demanded, and be imprisoned for not less than one nor more than ten years."

Officers accepting bribes.—(Sec. 5501, R. S.)

"Every officer of the United States, and every person

acting for or on behalf of the United States in any official capacity under or by virtue of the authority of any department or office of the Government thereof; * * * who asks, accepts, or receives any money, or any contract, promise, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, with intent to have his decision or action on any question, matter, cause, or proceeding which may, at any time, be pending, or which may be by law brought before him in his official capacity, or in his place of trust or profit, influenced thereby, shall be punished by a fine not more than three times the amount asked, accepted, or received, and by imprisonment not more than three years."

Forfeiture of office for accepting bribes.—(Sec. 5502, R. S.)

"Every * * * officer or person, convicted under provisions of the two preceding sections, who holds any place of profit or trust, shall forfeit his office or place; and shall thereafter be forever disqualified from holding any office of honor, trust, or profit under the United States."

Officers or agents aiding or assisting in the prosecution of claims against the United States.—(Sec. 5498, R. S.)

"Every officer of the United States, or person holding any place of trust or profit, or discharging any official function under, or in connection with, any executive department of the Government of the United States, * * * who acts as an agent or attorney for prosecuting any claim against the United States, or in any manner, or by any means, otherwise than in discharge of his proper official duties, aids or assists in the prosecution or support of any such claim, or receives any gratuity, or any share of or interest in any claim from any claimant against the United States, with intent to aid or assist, or in consideration of having aided or assisted, in the prosecution of such claim, shall pay a fine of not more than five thousand dollars, or suffer imprisonment not more than one year, or both."

Falsely assuming to be a revenue officer.—(Sec. 5448, R. S.)

"Every person who falsely represents himself to be a revenue officer, and, in such assumed character, demands or receives any money or other article of value from any person for any duty or tax due to the United States, or for any violation or pretended violation of any revenue law of the United States, shall be deemed guilty of a felony, and shall be fined five hundred dollars, and imprisoned not less than six months and not more than two years."

Bribery of officers of the United States by any person.—(Sec. 5451, R. S.)

"Every person who promises, offers, or gives, or causes or procures to be promised, offered, or given, any money or other thing of value, or makes or tenders any contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of any thing of value, to any officer of the United States, or to any person acting for or on behalf of the United States in any official function, under or by authority of any department or office of the Government thereof, * * * with intent to influence his decision or action on any question, matter, cause, or proceeding which may at any time be pending, or which may by law be brought before him in his official capacity, or in his place of trust or profit, or with intent to influence him to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States, or to induce him to do or omit to do any act in violation of his lawful duty, shall be fined not more than three times the amount of money or value of the things so offered, promised, given, made, or tendered, or caused or procured to be so offered, promised, given, made, or tendered, and shall be, moreover, imprisoned not more than three years."

Conspiracy to defraud the United States, all parties equally guilty.—(Sec. 5440, R. S.)

"If two or more persons conspire either to commit any offence against the United States or to defraud the United

States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy all the parties to such conspiracy shall be liable to a penalty of not more than ten thousand dollars, or to imprisonment for not more than two years or to both fine and imprisonment in the discretion of the court."

Extortion by internal-revenue informers.—(Sec. 5484, R. S.)

"Every person who shall receive any money or other valuable thing under a threat of informing, or as a consideration for not informing against any violation of any internal-revenue law, shall, on conviction thereof, be punished by a fine not exceeding two thousand dollars, or by imprisonment not exceeding one year, or both, at the discretion of the court, with costs of prosecution."

MISCELLANEOUS PROVISIONS OF LAW APPLICABLE TO INTERNAL-REVENUE SERVICE.

DEFINITIONS.

In determining the meaning of the statutes, words importing the singular number may be applied to several persons or things; words importing the plural number may include the singular; words importing the masculine gender may be applied to females. The word county includes a parish or other subdivision of a State or Territory.—(Sections 1, 2, and 3140, Revised Statutes.)

POWERS AND DUTIES OF COLLECTORS AND DEPUTY COLLECTORS.

Collectors before entering upon the duties of their office must execute a bond as provided for in section 3143, Revised Statutes, amended by act of March 1, 1879.

Collectors are authorized to appoint their deputies, to revoke their appointment, giving notice thereof to the Commissioner of Internal Revenue, and to require or accept bonds or other securities of them. Collectors are responsible both to the United States and to individuals, as

the case may be, for all moneys collected and for every act done or neglected to be done by any of their deputies while acting as such.—(Section 3148, Revised Statutes, amended by act of March 1, 1879.)

In case of the sickness or absence of a collector, or in case of his temporary disability to discharge his duties, they shall devolve upon his senior deputy unless he shall have devolved them upon another of his deputies.

In the case of a vacancy occurring in the office of collector the deputies of such collector shall continue to act until his successor is appointed, and, until a successor is appointed, the senior deputy shall discharge the duties of the collector. The Secretary of the Treasury may, however, when it appears that the interest of the Government so requires, direct either of the deputies to discharge the duties of collector in case of a vacancy.—(Section 3149, Revised Statutes, amended by act of March 1, 1879.)

Every collector and deputy collector is authorized to administer oaths and to take evidence touching any part of the administration of the internal-revenue laws with which he is charged, or where such oaths and evidence are authorized to be taken.—(Section 3165, Revised Statutes.)

The Commissioner of Internal Revenue may specially authorize any officer of internal revenue to seize property subject by law to seizure, and for that purpose such officer shall have all the power conferred by law upon collectors. Such special authority, however, is limited in respect of time, place, and kind of property, as specified by the Commissioner.—(Section 3166, Revised Statutes.)

It is the duty of collectors to prosecute for the recovery of any sums which may be forfeited by the internal-revenue laws.—(Section 3213, Revised Statutes.)

It is the duty of every collector to report within ten days to the district attorney of the district in which any fine, penalty, or forfeiture may be incurred for violation of any law of the United States relating to the revenue, a statement of all the facts and circumstances of the case within his knowledge, together with the names of the witnesses, and which may come to his knowledge from time to time.—(Section 3164, Revised Statutes.)

It is the duty of collectors or their deputies, in their respective districts, to collect all taxes imposed by law, however the same may be designated, and every collector and deputy collector is required to give receipts for all sums collected by him.—(Section 3183, Revised Statutes.)

[The above applies except in cases where the tax is payable by a stamp or stamps.]

The gross amount of all taxes and revenues received or collected by virtue of the internal-revenue laws must be paid by the officers receiving or collecting the same daily, into the Treasury of the United States, (except in case the Secretary of the Treasury may deem it proper to extend the time of making such payment,) without any abatement or deduction on account of salary, compensation, fees, costs, charges, expenses, or claims of any description, and a certificate of such payment signed by the assistant treasurer, designated depositary, or proper officer of a deposit bank, must be transmitted to the Commissioner of Internal Revenue.—(Sec 3210, Revised Statutes.)

All judgments and moneys recovered or received for taxes, costs, forfeitures, and penalties, must be paid to collectors as internal-revenue taxes are required to be paid.—(Section 3216, Revised Statutes.)

[See Circular No. 203, to U. S. marshals, and Circular No. 204, to clerks of U. S. courts.]

The internal-revenue laws imposing taxes on distilled spirits, fermented liquors, tobacco, snuff, and cigars shall be held to extend to such articles produced anywhere within the exterior boundaries of the United States, whether the same be within the collection district or not.—(Section 3448, Revised Statutes.)

JUDICIAL PROCEEDINGS.

The great number of cases for violations of the internal-revenue laws with which the dockets of the courts throughout the country have been burdened, the consequent delay in securing a trial of the same, and the large expenditure for witness-fees and other court expenses, as well as a proper and just regard for the rights of citizens,

demand that officers of internal revenue should exercise the utmost degree of care in instituting legal proceedings. Before reporting a case to the district attorney for prosecution, the collector should carefully examine into the same, with a view of giving him such definite information in regard to it as will enable him to determine the question of the propriety of commencing proceedings. It is not the wish of this Office that trivial cases, or cases of a mere technical character involving no loss to the Government, and where no fraud has been committed or intended, should be dignified by being brought into court. On the other hand, where persons have knowingly and wilfully violated the law with the evident intention of defrauding the Government of its revenues, vigorous measures should be taken to bring the parties to trial and punishment.—(See Circular Letter to Collectors, April 25, 1878.)

The jurisdiction of all crimes and offences cognizable under the authority of the United States, and of all suits for penalties and forfeitures incurred under the laws of the United States, is vested in the courts of the United States, exclusive of the courts of the several States.—(Section 711, Revised Statutes.)

When any offence against the United States is begun in one judicial district and completed in another, it shall be deemed to have been committed in either, and may be tried and punished in either district in the same manner as if it had been actually and wholly committed therein.—(Section 731, Revised Statutes.)

All pecuniary penalties and forfeitures may be sued for and recovered either in the district where they accrue or in the district where the offender is found.—(Sections 732 and 3213, Revised Statutes.)

Taxes accruing under any law providing internal revenue may be sued for and recovered either in the district where the liability for such tax occurs or in the district where the delinquent resides.—(Section 733, Revised Statutes.)

It is the duty of every district attorney to whom any collector of internal revenue shall report, according to law, any case in which any fine, penalty, or forfeiture has been incurred in the district of such attorney for the vio-

lation of any law of the United States relating to the revenue, to cause the proper proceedings to be commenced and prosecuted without delay, unless, upon inquiry and examination, he shall decide that such proceedings cannot probably be sustained, or that the ends of public justice do not require that such proceedings should be instituted, in which case he will report the facts to the Commissioner of Internal Revenue for his direction.—(Section 838, Revised Statutes.)

No suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any court.—(Section 3224, Revised Statutes.)

No suit shall be maintained in any court for the recovery of any internal tax alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, until appeals shall have been duly made to the Commissioner of Internal Revenue, according to the provisions of law in that regard, and a decision of the Commissioner has been had therein. If such decision is delayed more than six months from the date of the appeal, suit may be brought within the period limited by law.—(Section 3226, Revised Statutes.)

No suit or proceeding for the recovery of any internal tax alleged to have been erroneously or illegally assessed or collected, or of any penalty alleged to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, shall be maintained in any court, unless the same is brought within two years next after the cause of action accrued.—(Section 3227, Revised Statutes.)

All claims for refunding internal-revenue taxes alleged to have been erroneously or illegally assessed or collected, or of any penalty alleged to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, must be presented to the Commissioner of Internal Revenue within two years next after cause of action accrued.—(Section 3228, Revised Statutes.)

No person shall be prosecuted, tried, or punished for

any crime under the revenue laws of the United States, unless the indictment is found or the information is instituted within five years next after the committing of such crime.—(Section 1046, Revised Statutes.)

No suit or prosecution for any penalty or forfeiture, pecuniary or otherwise, accruing under the laws of the United States, shall be maintained, except in cases where it is otherwise specially provided, unless the same is commenced within five years from the time when the penalty or forfeiture accrued.—(Section 1047, Revised Statutes.)

As to the right of the Government to maintain a suit to recover taxes assessed, and those which are not assessable on account of the statute of limitations, see case of Dollar Savings Bank, plaintiff in error, *vs.* United States, Internal-Revenue Record, vol. 19, pages 89 and 90.

The several judges of the circuit and district courts of the United States, and commissioners of the circuit courts, may, within their respective jurisdictions, issue a search-warrant, authorizing any internal-revenue officer to search any premises within the same, if such officer makes oath in writing that he has reason to believe, and does believe, that a fraud upon the revenue has been or is being committed upon or by the use of the said premises.—(Section 3462, Revised Statutes.)

SUITS BY AND AGAINST INTERNAL-REVENUE OFFICERS.

If any officer, appointed under and by virtue of any act to provide internal revenue, or any person acting under or by authority of any such officer, shall receive any injury to his person or property in the discharge of his duty under any law of the United States for the collection of taxes, he shall be entitled to maintain suit for damage therefor, in the circuit court of the United States, in the district wherein the party doing the injury may reside or shall be found.—(Section 3171, Revised Statutes, amended March 1, 1879.)

When any civil suit or criminal prosecution is commenced in any court of a State against any officer appointed under, or acting by authority of, any revenue law of the United States, or against any person acting under

or by authority of any such officer on account of any act done under color of his office or of any such law, or on account of any right, title, or authority claimed by such officer or other person under such law, said suit or prosecution may at any time before the trial, or prior to hearing thereof, be removed for trial into the circuit court of the United States next to be holden in the district where the same is pending, upon petition of the defendant or defendants to said circuit court.—(Section 643, Revised Statutes.)

It is the duty of every district attorney, unless otherwise instructed by the Secretary of the Treasury, to appear in behalf of the defendents in all suits or proceedings pending in his district against collectors or other officers of the revenue, for any act done by them, (in the discharge of their duty,) or for the recovery of any money exacted by or paid to such officers, and by them paid into the Treasury.—(Section 771, Revised Statutes.)

Section 827, Revised Statutes, provides for the compensation of district attorneys for services in behalf of any officers of the revenue in any suit brought against such officer. When suits or prosecutions are commenced against officers or agents of the internal revenue, application should be promptly made to this Office for directions to be given to the district attorneys to defend such suits.

EMPLOYMENT OF ATTORNEYS PROHIBITED.

It being the duty of district attorneys to appear in behalf of officers in suits arising under the internal-revenue laws, the employment of other counsel, except at the personal expense of the officer or by authority of this Office, is prohibited.

Sections 361 and 365, Revised Statutes, provide that no attorney or counsel-fees shall be allowed to attorneys or counsel other than district attorneys, except in cases specially authorized by law, and then only on the certificate of the Attorney General.

CATALOGUE OF BOOKS AND BLANKS,

PREPARED FOR THE USE OF

OFFICERS OF INTERNAL REVENUE.

BLANK FORMS.

Form No.

1. Receipts for taxes—revised.
2. Requisition for stationery.
3. Leaseholder's bond.
4. Schedule of blank forms on which there is nothing to report.
5. Notice requiring return on Form 11.
6.
7. Brewer's order for beer-stamps and brewer's permits.
8. Report of instruments stamped.
9. Notification of purchases of articles the sale of which, by the purchaser, renders him liable to special tax.
10. Receipt to disbursing-agent.
11. Return of special-tax payer before commencing or continuing business.
12. Form of distiller's purchase-book.
13. Form of distillation-book.
14. Distiller's monthly account.
15. Brandy-distiller's account.
16. Requisition for blank forms and books.
17. Collector's monthly notice for assessed taxes.
18. Brewer's monthly report of fermented liquors made, removed to other districts without stamps, and sold, or removed for consumption or sale.

18*a*. Monthly warehouse return of fermented liquors received from other districts without stamps, and sold, or removed for consumption or sale.

19. Report showing the condition of distilleries.
20. Brewer's bond.
21. Collector's general demand for taxes.
22. Collector's abstract of amount collected on each article or occupation.

23 *A*. Collector's alphabetical assessment-list.
23 *B*. Collector's alphabetical assessment-list, (inside pages.)
23 *C*. Collector's alphabetical assessment-list of banks and bankers.
23 *D*. Collector's alphabetical assessment-list of banks and bankers, (inside pages.)

23.

23½. Collector's aggregate receipt for taxes.

24. Deputy-collector's report of assessments.

Form No.

25. Form of distiller's yeasting-book.
25½. Form of book to be kept by distillers of brandy.
26. Registry of stills by owner or custodian thereof.
27 *a*. Distiller's notice of intention to commence distilling.
27 *b*. Rectifier's notice of intention to commence business.
27 *c*. Brewer's notice of intention to engage in business.
27½. Notice by distillers of brandy of intention to commence distilling.
28. Form of distiller's record of workmen.
29. Notice by brewer to collector of intention to remove fermented liquors to another district.
30. Distiller's bond.
30½. Fruit-distiller's bond.
31. Gauger's receipt for stamps for rectified spirits.
32. Oath of office.
33. Sureties' affidavit.
33 *a*. Sureties' affidavit on export-bond.
33 *b*. Sureties' affidavit on warehousing-bond.
34. Return of succession-tax by tax-payer.
35. Return of legacy-tax by executor.
36. Tobacco-manufacturer's statement.
36½. Cigar-manufacturer's statement to be made before commencing business.
37. Collector's schedule of legacies and successions.
38. Claim for redemption of stamps other than documentary and proprietary.
39. Gauger's bond.
39½. Tobacco, snuff, and cigar-inspector's bond.
40. Tobacco-manufacturer's bond.
41. Collector's certificate to tobacco manufacturers.
41½. Collector's certificate to manufacturers of cigars.
42. Collector's estimate for expenses of office.
43. Gauger's notification of return to collector of books of stamps, and stubs of stamps for rectified spirits.
44. Account current of disbursing-agent.
44½. Account current of disbursing-agent.
45. Rectifier's monthly return to collector of spirits received, dumped, rectified, and removed after rectification.
46. Claim for refunding of taxes.
47. Claim for remission of taxes.
48 *a*. Collector's schedule of taxes alleged to be uncollectible.
48 *b*. Collector's schedule of taxes alleged to be uncollectible, (inside sheet.)
48½ *a*. Collector's schedule of taxes alleged to be erroneous.
48½ *b*. Collector's schedule of taxes alleged to be erroneous, (inside sheet.)
49. Collector's monthly report of collections and deposits.
49½. Collector's quarterly schedule of certificates of deposit.
50. Storekeeper's bond.
51 *a*. Collector's statement of tax account on lists.
51 *b*. Collector's statement of tax account on lists and stamps.

Form No.

51¼*a*. Collector's monthly report of condition of uncollected taxes.
51½*b*. Collector's statement relative to taxes in litigation.
52. Form of wholesale liquor-dealer's book.
52*a*. Transcript from wholesale liquor-dealer's books, spirits received.
52*b*. Transcript from wholesale liquor-dealer's books, spirits disposed of.
53. Deputy-collector's voucher of uncollectible taxes, to accompany Form 48.
53*a*. Report of clerks of United States courts of cases placed in suit.
54. Internal-revenue agent's per-diem salary account.
55. Agent's monthly report of documentary and proprietary stamps received, sold, and on hand.
55¼. Match-manufacturer's monthly account current of match-stamps received, used, and on hand.
56. Abstract of vouchers, disbursements to storekeepers.
57. Statement of fees received by inspectors of tobacco and cigars.
58. Collector's statement of unassessed penalties, &c., collected.
59. Gauger's daily report, (long.)
59. Gauger's daily report, (short.)
59*a*. Gauger's daily report of gauging at distillery warehouse, (long.)
59*a*. Gauger's daily report of gauging at distillery warehouse, (medium.)
59*a*. Gauger's daily report of gauging at distillery warehouse, (short.)
59¼. Gauger's report of brandy distilled from fruit.
60*a*. Collector's statement of distilled spirits placed in distillery warehouse.
60*b*. Collector's statement of tobacco, snuff, and cigars bonded for exportation.
61. Collector's monthly statement of different kinds of bonded spirits.
62. Tobacco-manufacturer's return of purchases, sales, and removals.
63. Schedule of vouchers, (expenses of collector's office.)
63¼. Deputy-collector's and clerk's account for salary.
64. Deputy-collector's reports of collections and deposits.
65. Deputy-collector's statement of tax account.
66. Claim for release (special taxes) of duplicate charge.
66*A*. Claim for release (tax on spirits) of duplicate charge.
67. Return by banks, &c., to Commissioner and collector.
68. Collector's report of special-tax stamps received, sold, and on hand.
69. Collector's warrant for distraint.
70*a*. Tobacco-manufacturer's inventory.
70*b*. Cigar-manufacturer's inventory.
71. Cigar-manufacturer's bond.
72. Cigar-manufacturer's return, (abstract from Form 73.)

Form No.

73. Form of cigar-manufacturer's book.
74. Form of tobacco-manufacturer's book.
75.
76. Collector's report of tobacco and cigar-stamps received, sold, and on hand.
77. Form of leaf-tobacco-dealer's book.
78. Claim for refunding tax on tobacco.
79. Collector's quarterly revenue account.
80. Distiller's warehousing-bond.
80½. Distiller's additional warehousing-bond.
81. Claim for redemption of documentary and proprietary stamps.
82. Affidavits in cases of detached stamps or coupons.
83. Requisition for documentary and proprietary stamps.
84. Transcript of sales by growers of leaf tobacco.
85. Collector's schedule of vouchers, to accompany Form 44.
86. Storekeeper's daily warehouse report.
A 86. Storekeeper's daily warehouse report at special bonded warehouse.
87. Storekeeper's monthly warehouse report.
A 87. Storekeeper's monthly warehouse report at special bonded warehouse.
88. Storekeeper's monthly abstract of materials used and spirits produced.
88½. Storekeeper's report of time of filling and emptying fermenting-tubs.
89. Internal-revenue-agent's report of regauge of spirits.
90. Collector's report of stamps for distilled spirits, tax-paid, received, sold, and on hand.
90½. Collector's report of stamps for distilled spirits, other than tax-paid, received, sold, and on hand.
91.
92. Wholesale liquor-dealer's application for wholesale liquor-dealer's single stamp.
92½. Wholesale liquor-dealer's application for wholesale liquor-dealer's stamps, (more than one.)
93 *a*. Collector's schedule of distilled spirits withdrawn upon payment of tax.
93 *b*. Collector's statement of the amount collected on deficiency on export-bonds—tobacco, snuff, and cigars.
93 *c*. Collector's statement of tax collected on distilled spirits.
93½ *a*. Collector's statement of interest collected on bonded spirits.
94 *a*. Collector's statement of bonded distilled-spirits account.
A 94. Collector's monthly statement of bonded grape-brandy account.
94 *b*. Collector's statement of bonded tobacco account.
B 94. Collector's monthly statement of bonded account of matches, cigar-lights, and wax-tapers.
B 94. Collector's monthly statement of bonded account of matches, cigar-lights, and wax-tapers, (inside sheets.)
95. Tobacco-peddler's statement, to be made before commencing business.
96. Collector's notice for legacy and succession-tax.

Form No.

97. Collector's schedule of coupon-books returned to Commissioner.
98. Collector's schedule of stub-books returned to Commissioner.
99. Collector's report of survey, fruit-distilleries.
100. Requisition for special-tax stamps.
101. Deputy-collector's report of the condition of cigar-factories.
102*a*. Deputy-collector's report of collections on lists.
102*b*. Deputy-collector's report of spirit-stamps, other than tax-paid, sold and on hand.
102*c*. Deputy-collector's report of beer-stamps sold and on hand.
102*d*. Deputy-collector's report of tax-paid spirit-stamps sold and on hand.
102*e*. Deputy-collector's report of cigar, cigarette, and snuff-stamps sold and on hand.
102*f*. Deputy-collector's report of tobacco-stamps sold and on hand.
102*g*. Deputy-collector's report of special-tax stamps sold and on hand.
102*h*. Letter notifying collector of enclosure of reports, on Form 102, by deputy collector.
103. Collector's report of beer-stamps received, sold, and on hand.
104. Form of brewer's book.
105. Collector's certificate of payment of tax on forfeited spirits.
106*a*. Return to Commissioner and collector by savings-banks of deposits.
106*b*. Semi-annual return to Commissioner and collector by savings-banks of capital and deposits.
107. Storekeeper's monthly bill.
107½. Storekeeper and gauger's monthly account.
108. Collector's report of spirits gauged, long.
108. Collector's report of spirits gauged, short.
109. Gauger's tickler for Form 108.
110. Collector's permit for the removal of stills.
111. Tobacco-peddler's bond.
112. District-attorney's report to Commissioner of process issued.
113. District-attorney's term report to Commissioner of Internal Revenue, cases pending and their condition.
114. Marshal's report to Commissioner of the receipt of mesne process.
115. Marshal's report to Commissioner of the receipt of final process.
116. Marshal's report to Commissioner of proceedings under final process.
117. Collector's report of seizures for violations of law.
118. Gauger's daily report to collector of spirit-stamps, other than tax-paid, used.
119. Collector's report of reimbursements of storekeeper's pay.
120. Monthly report of inspector of tobacco to Commissioner.
122. Rectifier's notice of intention to rectify and return of gauger of spirits.
123. Collector's report of survey of distillery.
124. Distiller's notice of suspension.

Form No.

125. Distiller's notice of resumption.
126. Distiller's notice of change in capacity.
127. Collector's requisition for wholesale liquor-dealer's stamps.
128. Report by collector of seizures and sales of real estate, (quarterly.)
128½. Report by collector of seizures and sales of real estate, (monthly.)
129. Collector's summons to testify.
130. Collector's summons to testify and produce books, &c.
131. Miscellaneous-expense account.
132. Internal-revenue-agent's monthly-expense account.
133. Distillery-surveyor's monthly bill.
134*a*. Collector's statement of bonded spirits lost by casualty, &c.
134*b*. Collector's statement of the amount of excess of tobacco, snuff, and cigars.
135*bb*. Collector's statement of certificates of landing of tobacco.
136*a*. Collector's statement of distilled spirits exported.
136*b*. Collector's statement of tobacco, snuff, and cigars exported.
136*bb*. Collector's statement of tobacco cleared at port of export, (act February 8, 1875.)
137*a*. Collector's statement of distilled spirits withdrawn for transportation for export.
137*aa*. Collector's statement of distilled spirits shipped for exportation, under act of June 9, 1874.
137*b*. Collector's statement of tobacco, snuff, and cigars removed and unaccounted for.
137*bb*. Collector's statement of tobacco unaccounted for, (act February 8, 1875.)
138*a*. Collector's statement of distilled spirits remaining in warehouse.
138*a*. Collector's statement of spirits in bond, under seizure, (supplementary.)
139. Collector's requisition for spirit-stamps, (tax-paid, warehouse, and exportation.)
139½. Collector's requisition for stamps for rectified spirits.
140. Collector's requisition for tobacco and cigar-stamps.
141. Collector's requisition for beer-stamps.
142. Collector's order to gauge and stamp rectified spirits.
143. Distiller's application for reduction of capacity in a fruit-distillery.
144. Collector's abstracts of cigar-manufacturer's accounts.
145. Storekeeper's or gauger's report to collector of seals for lock.
146. Collector's abstract of tobacco-manufacturer's accounts.
147. Collector's report of changes among cigar manufacturers.
148. Collector's report of changes among tobacco manufacturers.
149. Form of book for retail leaf-tobacco dealers.
150. Gauger's monthly bill, fees, and expenses.
151. Tobacco-peddler's certificate from collector.
152. Collector's report of Government locks, seals, and hydrometers.
153. Collector's expenses for advertising.

Form No.

154. Collector's weekly and monthly statement of public funds.
155. Catalogue of books and blanks, Internal Revenue.
156. Deputy-collector's report showing the condition of rectifying-houses.
157. Distiller's application for extension of time on warehousing-bonds.
158. Clerk of United States court quarterly report to Commissioner.
159. Rectifier's bond.
160. Requisition for stamps for imported spirits.
161. Report of destruction of distilling apparatus by internal-revenue officers.
162. Report of illicit stills seized, &c.
163. Distiller's receipt for regulations.
164. Affidavit of delivery of regulations to distiller.
R. Manufacturer's order for stamps for tobacco in wooden packages, or snuff in bladders or jars.
S. Manufacturer's order for stamps for tobacco and snuff in packages not exceeding 16 ounces.
T. Manufacturer's order for cigar, cigarette, and tobacco-stamps.
*A*2. Collector's order to gauger, and gauger's report as to gauge of grape brandy to be removed in bond.
*A*3. Entry of withdrawal for transportation of grape brandy in bond.
*A*4. Transportation and warehousing-bond—grape brandy.
*A*6. Transportation bond—grape brandy.
*A*8. Warehousing-bond for grape brandy.
*A*9. Collector's certificate of receipt of grape brandy.
Internal-revenue-stamp bond.
Match-stamp bond.
Bond for the payment of amount expended for printing private-die stamps.

BLANK BOOKS.

Book No.

1. Daily record of collections on lists.
2. Daily record of spirit-stamps, other than tax-paid, sold.
3. Daily record of beer-stamps sold; 100 pages.
3. Daily record of beer-stamps sold; 200 pages.
4. Daily record of tax-paid spirit-stamps sold.
5. Daily record of cigar and cigarette-stamps sold; 150 pages.
5. Daily record of cigar and cigarette-stamps sold; 300 pages.
6. Daily record of snuff-stamps sold; 150 pages.
6. Daily record of snuff-stamps sold; 200 pages.
6. Daily record of snuff-stamps sold; 300 pages.
7. Daily record of tobacco-stamps sold; 100 pages.
7. Daily record of tobacco-stamps sold; 200 pages.
8. Daily record of special-tax stamps sold; 150 pages.
8. Daily record of special-tax stamps sold; 200 pages.
8. Daily record of special-tax stamps sold; 300 pages.
9. Daily record of collections and deposits.
10. Record of special taxes; for collectors.

Book No.

10. Record of special taxes; for deputies.
11. Record of cigar manufacturers; 150 pages.
11. Record of cigar manufacturers; 300 pages.
11. Record of cigar manufacturers; 600 pages.
12. Record of cigar-makers.
13. Record of tobacco manufacturers; 150 pages.
13. Record of tobacco manufacturers; 300 pages.
13. Record of tobacco manufacturers; 800 pages.
14. Record of distilled spirits—bonded account.
15. Collector's record of bonded distilled spirits.
A 15. Collector's record of bonded grape brandy.
16. Record of storekeeper at rum-distillery.
17. Record of storekeepers at registered distilleries.
17½. Storekeeper's daily account of materials received at registered distillery.
A 17. Storekeeper's daily record at special bonded warehouse.
18. Record of storekeepers at distillery warehouse.
A 18. Storekeeper's record at special bonded warehouse. Accounts with distillers.
19. Record of beer-stamps sold to brewers.
20. Record of brewer's returns.
21. Record of seizures and sales of real estate.
22. Record of claims for abatement and refunding.
23. Record of taxes abated as uncollectible.
24.
25. Record of instruments stamped.
26.
27. Record of reports on Form 44, revised.
29. Record of reports on Form 51.
30. Record of reports on Form 68.
31. Record of reports on Form 76.
32. Record of reports on Form 79.
33. Record of reports on Form 90.
34. Record of reports on Form 103.
35. Tickler for Form 22.
36. Tickler for Form 51.
37. Monthly transcript of sales; 50 pages.
37. Monthly transcript of sales; 100 pages.
37. Monthly transcript of sales; 150 pages.
38. Collector's record of bonds received.
39. Record of rectifying.
40. Record of reports on Form 44½.
41. Account of stamps issued to wholesale liquor-dealers; 50 pages.
41. Account of stamps issued to wholesale liquor-dealers; 100 pages.
41. Account of stamps issued to wholesale liquor-dealers; 200 pages.
41. Account of stamps issued to wholesale liquor-dealers; 500 pages.
42. Record of reports on Form 90½.
43. Collector's stamp-account with deputies.
44. Record of seizures and sales of personal property.
45. Record of registered grain and molasses-distillers.
46. Record of fruit-distillers.

Book No.
47. Record of cigar, cigarette, and tobacco-stamps sold to each manufacturer; 2 sizes, 200 pages and 400 pages.
48. Record of bonded spirits exported.
49. Record of bonded tobacco exported.
50. Record of fruit-brandy gauged and tax paid.

This Catalogue of Books and Forms is published for the information and guidance of Internal-Revenue Officers, who, in making requisitions for forms and blanks specified herein, will observe the following directions:

I.—Requisitions will be made on Form 16, (revised,) and when possible should be made quarterly, and only the forms and books, and the quantity of each *actually* needed during the quarter should be requested.

II.—Supplemental requisitions should be avoided as far as possible, and the necessity for making them ought not to arise, except when a new form is introduced or additional forms or books are rendered necessary for causes which could not be anticipated.

III.—The receipt attached to the letter of transmittal of books and blanks must be filled in, signed, and promptly returned to this Office.

IV.—Requisitions for articles of stationery must be made on Form 2, and under no circumstances must such articles be requested on Form 16.

LIST

OF

INTERNAL-REVENUE COLLECTION DISTRICTS IN THE UNITED STATES,

WITH

LOCATION OF COLLECTORS' OFFICES.

ALABAMA.

1.—The counties of Baldwin, Barbour, Butler, Choctaw, Clarke, Coffee, Conecuh, Covington, Crenshaw, Dale, Escambia, Geneva, Henry, Marengo, Mobile, Monroe, Pike, Washington, and Wilcox; and the following counties transferred from the 2d District, viz: Greene, Hale, Pickens, Sumter, and Tuscaloosa.

Collector's Office—Mobile.

2.—The counties of Autauga, Bibb, Bullock, Chambers, Chilton, Clay, Coosa, Dallas, Elmore, Lee, Lowndes, Macon, Montgomery, Perry, Randolph, Russell, Shelby, Talladega, and Tallapoosa.

(Old 3d District.)—The counties of Blount, Calhoun, Cherokee, Cleburne, Colbert, De Kalb, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, St. Clair, Sanford, Walker, and Winston.

Collector's Office—Montgomery.

ARIZONA.

Collector's Office—Prescott.

ARKANSAS.

3.—The counties of Benton, Boone, Carroll, Clark, Crawford, Franklin, Johnson, Little River, Madison, Marion, Montgomery, Newton, Perry, Pike, Polk, Pope, Pulaski, Scott, Sebastian, Sevier, Washington, and Yell.

(Old 1st District.)—The counties of Arkansas, Conway, Craighead, Crittenden, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Mississippi, Monroe, Philips, Poinsett, Prairie, Randolph, Saint Francis, Searcy, Sharp, Van Buren, White, and Woodruff.

(Old 2d District.)—The counties of Ashley, Bradley, Calhoun, Chicot, Columbia, Dallas, Desha, Drew, Garland, Grant, Hempstead, Hot Spring, Jefferson, La Fayette, Lincoln, Nevada, Ouachita, Saline, and Union.

Collector's Office—Little Rock.

CALIFORNIA.

1.—The counties of San Francisco and San Mateo.
(Old 2d District.)—The counties of Alameda, Los Angeles, Monterey, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, and Santa Cruz.
(Old 3d District.)—The counties of Calaveras, Contra Costa, Fresno, Inyo, Kern, Mariposa, Merced, Mono, San Benito, San Joaquin, Stanislaus, Tulare, Tuolumne, and Ventura.
Collector's Office—San Francisco.

4.—The counties of Alpine, Amador, Butte, Coloosa, El Dorado, Lassen, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, and Yuba.
(Old 5th District.)—The counties of Del Norte, Humboldt, Lake, Marin, Mendocino, Modoc, Napa, Solano, Sonoma, Trinity, and Yolo.
Collector's Office—Sacramento.

COLORADO.

Collector's Office—Denver.

CONNECTICUT.

1.—The counties of Hartford and Tolland.
(Old 3d District.)—The counties of New London and Windham.
Collector's Office—Norwich.

2.—The counties of Middlesex and New Haven.
(Old 4th District.)—The counties of Fairfield and Litchfield.
Collector's Office—Bridgeport.

DAKOTA.

Collector's Office—Yankton.

DELAWARE.

The counties of Caroline, Cecil, Dorchester, Kent, Queen Anne, Talbot, Somerset, Wicomico, and Worcester, originally comprising the old 1st District of Maryland, were added to the District of Delaware October 2, 1876; Accomack and Northampton counties of Virginia.
Collector's Office—Wilmington.

FLORIDA.

Collector's Office—Jacksonville.

GEORGIA.

2.—The counties of Baker, Bibb, Butts, Calhoun, Chattahoochee, Clay, Crawford, Decatur, Dodge, Dooly, Dougherty, Early, Harris,

Houston, Lee, Macon, Marion, Miller, Mitchell, Monroe, Muscogee, Pike, Pulaski, Quitman, Randolph, Schley, Spaulding, Stewart, Sumter, Talbot, Taylor, Terrell, Upson, Webster, and Worth.

(Old 4th District.)—The counties of Banks, Bartow, Campbell, Carroll, Catoosa, Chattooga, Cherokee, Clarke, Clayton, Cobb, Coweta, Dade, Dawson, De Kalb, Douglas, Fannin, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Hart, Heard, Henry, Jackson, Lumpkin, Madison, Meriwether, Milton, Murray, Newton, Oconee, Paulding, Pickens, Polk, Rabun, Rockdale, Towns, Troup, Union, Walker, Walton, White, and Whitfield.

Collector's Office—Atlanta.

3.—The counties of Baldwin, Burke, Columbia, Elbert, Glasscock, Greene, Hancock, Jasper, Jefferson, Jones, Lincoln, McDuffie, Morgan, Oglethorpe, Putnam, Richmond, Scriven, Taliaferro, Twiggs, Warren, Washington, Wilkes, and Wilkinson.

(Old 1st District.)—The counties of Appling, Berrien, Brooks, Bryan, Bullock, Camden, Charlton, Chatham, Clinch, Coffee, Colquitt, Echols, Effingham, Emanuel, Glynn, Irwin, Johnson, Laurens, Liberty, Lowndes, McIntosh, Montgomery, Pierce, Tatnall, Telfair, Thomas, Ware, Wayne, and Wilcox.

Collector's Office—Savannah.

IDAHO.

Collector's Office—Boisé City.

ILLINOIS.

1.—The county of Cook.

Collector's Office—Chicago.

2.—The counties of Boone, DeKalb, Kane, Lake, McHenry, and Winnebago.

(Old 6th District.)—The counties of Du Page, Grundy, Kankakee, Kendall, La Salle, and Will.

Collector's Office—Aurora.

3.—The counties of Carroll, Jo Daviess, Lee, Ogle, Stephenson, and Whitesides.

Collector's Office—Sterling.

4.—The counties of Adams, Hancock, Henderson, Mercer, Rock Island, and Warren.

(Old 9th District.)—The counties of Brown, Cass, Fulton, Mason, McDonough, Menard, Pike, and Schuyler.

(Old 10th District, excepting territory added by consolidation with 12th District.)—The counties of Bond, Calhoun, Christian, Greene, Jersey, Macoupin, Montgomery, Morgan, Scott, and Shelby.

Collector's Office—Quincy.

5.—The counties of Bureau, Henry, Knox, Marshall, Peoria, Putnam, and Stark.
Collector's Office—Peoria.

7.—The counties of Champaign, Coles, Cumberland, Douglas, Edgar, Ford, Iroquois, Macon, Moultrie, Piatt, and Vermillion.
Collector's Office—Champaign.

8.—The counties of De Witt, Livingston, Logan, McLean, Sangamon, Tazewell, and Woodford.
Collector's Office—Springfield.

13.—The counties of Alexander, Edwards, Gallatin, Hardin, Jackson, Johnson, Massac, Perry, Pope, Pulaski, Saline, Union, Wabash, White, and Williamson.
(Old 11th District.)—The counties of Clark, Clay, Crawford, Effingham, Fayette, Franklin, Hamilton, Jasper, Jefferson, Lawrence, Marion, Richland, and Wayne.
(That part of old 10th District originally comprised in old 12th District.)—The counties of Clinton, Madison, Monroe, Randolph, Saint Clair, and Washington.
Collector's Office—Cairo.

INDIANA.

1.—The counties of Daviess, Dubois, Gibson, Knox, Martin, Pike, Posey, Spencer, Vanderburgh, and Warrick.
(Old 2d District, excepting territory added by consolidation with 3d District.)—The counties of Clarke, Crawford, Floyd, Harrison, Orange, Perry, Scott, and Washington.
Collector's Office—Evansville.

4.—The counties of Dearbon, Decatur, Franklin, Ohio, Ripley, and Rush.
The counties of Jefferson, Jennings, and Switzland, which were originally part of the old 3d District, were added to the 2d District January 1, 1876, and transferred to the 4th District October 2, 1876.
Collector's Office—Greensburgh.

6.—The counties of Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby.
The counties of Bartholomew, Brown, Jackson, Lawrence, and Monroe, which were originally part of the 3d District, were added to the 2d District January 1, 1876, and transferred to the 6th District October 2, 1876.
Collector's Office—Indianapolis.

7.—The counties of Clay, Greene, Owen, Parke, Putnam, Sullivan, Vermillion, and Vigo.
The old 8th District, consisting of the counties of Boone, Carroll, Clinton, Fountain, Montgomery, Tippecanoe, and Warren, was added

to the 6th District January 1, 1876, and transferred to the 7th District October 2, 1876.
Collector's Office—Terre Haute.

10.—The counties of Allen, De Kalb, Elkhart, Kosciusko, La Grange, Noble, Steuben, and Whitley.
(Old 9th District.)—The counties of Benton, Cass, Fulton, Jasper, Lake, La Porte, Marshall, Miami, Newton, Pulaski, Porter, St. Joseph, Stark, and White.
Collector's Office—Warsaw.

11.—The counties of Adams, Blackford, Grant, Hamilton, Howard, Huntington, Jay, Madison, Tipton, Wabash, and Wells.
(Old 5th District.)—The counties of Delaware, Fayette, Henry, Randolph, Union, and Wayne.
Collector's Office—Anderson.

IOWA.

2.—The counties of Cedar, Clinton, Jackson, Jones, Linn, Muscatine, and Scott.
(Part of old 1st District.)—The counties of Louisa and Washington.
The county of Johnson, formerly in the 4th District, was transferred to 2d District October 2, 1876.
Collector's Office—Davenport.

3.—The counties of Allamakee, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Floyd, Howard, Mitchell, and Winneshiek.
(Old 6th District.)—The counties of Black Hawk, Boone, Buena Vista, Butler, Calhoun, Carroll, Cerro Gordo, Cherokee, Clay, Crawford, Dickinson, Emmett, Franklin, Greene, Grundy, Hamilton, Hancock, Hardin, Humboldt, Ida, Kossuth, Lyon, Marshall, Monona, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, Story, Webster, Winnebago, Woodbury, Worth, and Wright.
Collector's Office—Dubuque.

4.—The counties of Appanoose, Benton, Iowa, Jasper, Keokuk, Mahaska, Marion, Monroe, Poweshiek, Tama, and Wapello.
(Part of old 1st District.)—The counties of Davis, Des Moines, Henry, Jefferson, Lee, and Van Buren.
Collector's Office—Burlington.

5.—The counties of Adair, Adams, Audubon, Cass, Clarke, Dallas, Decatur, Fremont, Guthrie, Harrison, Lucas, Madison, Mills, Montgomery, Page, Polk, Pottawattamie, Ringgold, Shelby, Taylor, Union, Warren, and Wayne.
Collector's Office—Des Moines.

KANSAS.

Collector's Office—Leavenworth.

KENTUCKY.

2.—The counties of Breckinridge, Butler, Christian, Daviess, Edmonson, Grayson, Hancock, Henderson, Hopkins, McLean, Muhlenburgh, and Ohio.
(Old 1st District.)—The counties of Ballard, Caldwell, Calloway, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, McCracken, Marshall, Trigg, Union, and Webster.
(Old 3d District.)—The counties of Allen, Barren, Clinton, Cumberland, Hart, Logan, Metcalf, Monroe, Russell, Simpson, Todd, and Warren.
Collector's Office—Owensboro'.

5.—The city of Louisville, and the counties of Henry, Jefferson, Oldham, and Owen.
(Old 4th District.)—The counties of Adair, Anderson, Bullitt, Casey, Green, Hardin, Larue, Marion, Meade, Nelson, Shelby, Spencer, Taylor, and Washington.
Collector's Office—Louisville.

6.—The counties of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Harrison, Kenton, Pendleton, and Trimble, and the greater part of Robertson.
Collector's Office—Covington.

7.—The counties of Bourbon, Boyle, Clark, Fayette, Franklin, Jessamine, Lincoln, Mercer, Nicholas, Scott, and Woodford, and a small part of Robertson.
Collector's Office—Lexington.

8.—The counties of Bell, Breathitt, Clay, Estill, Garrard, Harlan, Jackson, Knox, Laurel, Lee, Letcher, Madison, Owsley, Perry, Pulaski, Rockcastle, Wayne, Whitley, and Wolfe.
Collector's Office—Lancaster.

9.—The counties of Bath, Boyd, Carter, Elliott, Fleming, Floyd, Greenup, Johnson, Lawrence, Lewis, Magoffin, Martin, Mason, Menifee, Montgomery, Morgan, Pike, Powell, and Rowan, and a small part of Robertson.
Collector's Office—Maysville.

LOUISIANA.

Collector's Office—New Orleans.

MAINE.

Collector's Office—Portland.

MARYLAND.

3.—The 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, and 20th wards of the city of Baltimore.
(That part of old 1st District, formerly comprised in old 2d Dis-

trict.)—The county of Harford, the 5th, 6th, 7th, 9th, 10th, 11th, and 12th districts of Baltimore county, and the 1st, 2d, 3d, 4th, 5th, 6th, and 7th wards of the city of Baltimore.

(Old 5th District.)—The counties of Anne Arundel, Calvert, Charles, Howard, Montgomery, Prince George's, and St. Mary's; and the 1st, 2d, 3d, 4th, 8th, and 13th Districts of Baltimore county.

The District of Columbia was added to the 3d District of Maryland October 2, 1876.

Collector's Office—Baltimore.

4.—The counties of Alleghany, Carroll, Frederick, Garrett, and Washington.

Collector's Office—Cumberland.

MASSACHUSETTS.

3.—The county of Norfolk, and all of Suffolk county, excepting what was formerly the city of Charlestown.

(Old 1st District.)—The counties of Barnstable, Bristol, Dukes, Nantucket, and Plymouth.

Collector's Office—Boston.

5.—The counties of Essex and Middlesex, and that part of Suffolk county which was formerly the city of Charlestown.

Collector's Office—Newburyport.

10.—The counties of Berkshire, Franklin, Hampden, and Hampshire.

(Old 8th District.)—The county of Worcester.

Collector's Office—North Adams.

MICHIGAN.

1.—The county of Wayne.

(Old 5th District.)—The counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Sanilac.

Collector's Office—Detroit.

3.—The counties of Calhoun, Eaton, Hillsdale, Ingham, Jackson, Lenawee, Monroe, and Washtenaw.

(Old 2d District.)—The counties of Allegan, Berrien, Branch, Cass, Kalamazoo, St. Joseph, and Van Buren.

Collector's Office—Hillsdale.

4.—The counties of Antrim, Barry, Benzie, Charlevoix, Cheboygan, Emmett, Grand Traverse, Ionia, Kalkaska, Kent, Lake, Leelenaw, Manistee, Manitou, Mason, Mecosta, Missaukee, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Ottawa, and Wexford.

Collector's Office—Grand Rapids.

6.—The counties of Alcona, Alpena, Baraga, Bay, Chippewa, Clare, Clinton, Crawford, Delta, Genesee, Gladwin, Gratiot, Houghton, Hu-

ron, Iosco, Isabella, Keweenaw, Mackinaw, Marquette, Menominee, Midland, Montmorency, Ogemaw, Ontonagon, Oscoda, Otsego, Presque Isle, Roscommon, Saginaw, Schoolcraft, Shiawassee, and Tuscola.
Collector's Office—East Saginaw.

MINNESOTA.

1.—The counties of Blue Earth, Brown, Cottonwood, Dodge, Faribault, Fillmore, Freeborn, Houston, Jackson, Le Sueur, Lincoln, Lyon, Martin, Mower, Murray, Nicollet, Nobles, Olmsted, Pipe Stone, Redwood, Renville, Rice, Rock, Scott, Sibley, Steele, Waseca, Watonwan, Winona, and Yellow Medicine.
Collector's Office—Rochester.

2.—The counties of Aitkin, Anoka, Becker, Benton, Big Stone, Carlton, Carver, Cass, Chippewa, Chisago, Clay, Crow Wing, Dakota, Douglas, Goodhue, Grant, Hennepin, Isanti, Itasca, Kandiyohi, Kanabec, Lac-qui-parle, Lake, Lincoln, McLeod, Meeker, Mille Lacs, Morrison, Otter Tail, Pine, Polk, Pope, Ramsey, St. Louis, Sherburne, Stearns, Stevens, Swift, Todd, Traverse, Wabasha, Wadena, Washington, Wilkin, and Wright.
Collector's Office—St. Paul.

MISSISSIPPI.

Collector's Office—Jackson

MISSOURI.

1.—The county of St. Louis.
Collector's Office—St. Louis.

2.—The counties of Bollinger, Butler, Cape Girardeau, Carter, Crawford, Dent, Dunkein, Franklin, Gasconade, Iron, Jefferson, Madison, Maries, Mississippi, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pulaski, Reynolds, Ripley, St. Francois, St. Genevieve, Scott, Shannon, Stoddard, Washington, and Wayne.
Collector's Office—Cape Girardeau.

4.—The counties of Audrain, Boone, Callaway, Lincoln, Monroe, Montgomery, Pike, Ralls, St. Charles, and Warren.
(Old 3d District.)—The counties of Adair, Clarke, Howard, Knox, Lewis, Linn, Macon, Marion, Randolph, Schuyler, Scotland, and Shelby.
Collector's Office—Louisiana.

5.—The counties of Barry, Barton, Bates, Benton, Camden, Cass, Cedar, Christian, Cole, Cooper, Dade, Dallas, Douglas, Greene, Henry, Hickory, Howell, Jasper, Johnson, Laclede, Lawrence, McDonald, Miller, Moniteau, Morgan, Newton, Ozark, Pettis, Polk, St. Clair, Stone, Taney, Texas, Vernon, Webster, and Wright.

The Indian Territory was added to the 5th District of Missouri June 12, 1872.
Collector's Office—Carthage.

6.—The counties of Andrew, Atchison, Buchanan, Caldwell, Carroll, Chariton, Clay, Clinton, Daviess, De Kalb, Gentry, Grundy, Harrison, Holt, Jackson, La Fayette, Livingston, Mercer, Nodaway, Platte, Putnam, Ray, Saline, Sullivan, and Worth.
Collector's Office—Kansas City.

MONTANA.

Collector's Office—Helena.

NEBRASKA.

Collector's Office—Omaha.

NEVADA.

Collector's Office—Virginia City.

NEW HAMPSHIRE.

Collector's Office—Dover.

NEW JERSEY.

1.—The counties of Atlantic, Camden, Cape May, Cumberland, Gloucester, and Salem.
(Old 2d District.)—The counties of Burlington, Mercer, Monmouth, and Ocean.
Collector's Office—Camden.

3.—The counties of Hunterdon, Middlesex, Somerset, Union, and Warren.
Collector's Office—Somerville.

5.—The counties of Essex and Hudson.
(Old 4th District.)—The counties of Bergen, Morris, Passaic, and Sussex.
Collector's Office—Newark.

NEW MEXICO.

Collector's Office—Santa Fé.

NEW YORK.

1.—The counties of Queen, Richmond, and Suffolk.
(Old 2d District.)—The 6th, 8th, 9th, 10th, 12th, 14th, 16th, 17th, and 18th wards of the city of Brooklyn, and the towns of Flatbush,

Flatlands, Gravesend, New Lots, and New Utrecht, in the county of Kings.
(Old 3d District.)—The 1st, 2d, 3d, 4th, 5th, 7th, 11th, 13th, 15th, and 19th wards of the city of Brooklyn.
Collector's Office—Brooklyn.

2.—(Old 4th District.)—The 3d, 5th, 6th, and 8th wards of the city of New York.
(Old 6th District.)—The 9th, 15th, and 16th wards of the city of New York.
(Old 32d District.)—1st, 2d, and 4th wards of New York and Governor's Island, and that portion of the 3d District lying west of the centre of Mott street, between Canal and Houston streets; and the 2d District of New York, except that portion of it lying north of the centre of West 24th street.
Collector's Office—New York.

3.—(Old 5th District.)—The 7th, 10th, 13th, and 14th wards of the city of New York.
(Old 7th District.)—The 11th and 17th wards of the city of New York, and that portion of the 2d District of New York lying north of the centre of West 24th street; and the 3d and 4th Districts of New York, except that portion of the 3d District lying west of the centre of Mott street, between Canal and Houston streets.
Collector's Office—New York.

11.—The counties of Orange and Sullivan.
(Old 13th District.—(The counties of Greene and Ulster.
Collector's Office—Middletown.

12.—The counties of Columbia and Dutchess.
(Old 10th District.)—The counties of Putnam, Rockland, and Westchester.
Collector's Office—Hudson.

14.—The counties of Albany and Schoharie.
(Old 18th District.)—The counties of Fulton, Hamilton, Montgomery, Saratoga, and Schenectady.
Collector's Office—Albany.

15.—The counties of Rensselaer and Washington.
(Old 16th District.)—The counties of Clinton, Essex, and Warren.
Collector's Office—Troy.

21.—The county of Oneida.
(Old 20th District, including territory originally comprised in old 17th District.)—The counties of Herkimer, Jefferson, and Lewis.
(Old 17th District.)—The counties of Franklin and St. Lawrence.
(Old 22d District.)—The counties of Madison and Oswego.
Collector's Office—Utica.

24.—The counties of Cayuga, Seneca, and Wayne.
(Old 23d District.)—The counties of Cortland and Onondaga.
Collector's Office—Auburn.

26.—The counties of Broome, Schuyler, Tioga, and Tompkins.
(Old 19th District.)—The counties of Chenango, Delaware, and Otsego.
Collector's Office—Binghamton.

28.—The counties of Monroe and Orleans.
(Old 25th District.)—The counties of Livingston, Ontario, and Yates.
(Old 27th District, excepting counties added by consolidation with 31st District.)—The counties of Allegany, Chemung, Steuben, and Niagara.
Collector's Office—Rochester.

30.—The county of Erie.
(That part of old 27th District, originally comprised in the 31st District.)—The counties of Cattaraugus and Chautauqua.
(Old 29th District.)—The counties of Genesee and Wyoming.
Collector's Office—Buffalo.

NORTH CAROLINA.

2.—The counties of Carteret, Craven, Dupling, Edgecombe, Greene, Jones, Lenoir, Onslow, Pitt, Wayne, and Wilson.
(Old 1st District.)—The counties of Bertie, Beaufort, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pamlico, Pasquotank, Perquimons, Tyrrel, and Washington.
Collector's Office—New Berne.

4.—The counties of Chatham, Franklin, Granville, Johnson, Nash, Orange, Wake, and Warren.
(Old 3d District.)—The counties of Anson, Bladen, Brunswick, Columbus, Cumberland, Harnett, Montgomery, Moore, New Hanover, Richmond, Robeson, Sampson, and Stanley.
Collector's Office—Raleigh.

5.—The counties of Alamance, Caswell, Davidson, Forsyth, Guilford, Person, Randolph, Rockingham, Stokes, and Surry.
Collector's Office—Winston.

6.—The counties of Alexander, Cabarrus, Catawba, Davie, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Union, Wilkes, and Yadkin.
(Old 7th District.)—The counties of Alleghany, Ashe, Buncombe, Burke, Caldwell, Cherokee, Clay, Cleveland, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, and Yancey.
Collector's Office—Statesville.

OHIO.

1.—The 1st, 2d, 3d, 4th, 5th, 7th, 9th, 10th, 11th, 13th, and 17th wards of the city of Cincinnati; and the townships of Anderson, Columbia, Spencer, Sycamore, and Symmes; the corporation of Reading, and the northeast and southeast precincts of Mill Creek township.
(Old 2d District.)—The 6th, 8th, 12th, 14th, 15th, and 16th wards of the city of Cincinnati; and the townships of Colerain, Crosby, Delhi, Greene, Harrison, Miami, Springfield, Storrs, and Whitewater; the corporations of Clifton, Glendale, and Harrison, and the Corryville Lick Run, and Western precincts of Mill Creek township.
Collector's Office—Cincinnati.

3.—The counties of Butler, Montgomery, Preble, and Warren.
Collector's Office—Dayton.

4.—The counties of Champaign, Darke, Logan, Miami, and Shelby.
(Old 5th District.)—The counties of Allen, Auglaize, Hancock, Hardin, Mercer, Van Wert, and Wyandot.
Collector's Office—Bellefontaine.

6.—The counties of Brown, Clermont, Clinton, Fayette, and Highland.
Collector's Office—Washington C. H.

7.—The counties of Clark, Franklin, Greene, and Madison.
(Old 8th District.)—The counties of Delaware, Marion, Morrow, Richland, and Union.
(Old 13th District, excepting counties added by consolidation with 14th District.)—The counties of Coshocton, Knox, Licking, and Muskingum.
Collector's Office—Columbus.

10.—The counties of Defiance, Fulton, Henry, Lucas, Paulding, Putnam, Williams, and Wood.
(Old 9th District.)—The counties of Crawford, Erie, Huron, Ottawa, Sandusky, and Seneca.
Collector's Office—Toledo.

11.—The counties of Adams, Gallia, Jackson, Lawrence, Scioto, and Vinton.
(Old 12th District.)—The counties of Fairfield, Hocking, Perry, Pickaway, Pike, and Ross.
Collector's Office—Portsmouth.

15.—The counties of Athens, Meigs, Monroe, Morgan, and Washington.
(Old 16th District.)—The counties of Belmont, Guernsey, Harrison, Noble, and Tuscarawas.
Collector's Office—Marietta.

18.—The counties of Cuyahoga, Lake, and Summit.
(That part of old 13th District originally comprised in old 14th District.)—The counties of Ashland, Holmes, Lorain, Medina, and Wayne.
(Old 17th District.)—The counties of Carroll, Columbiana, Jefferson, and Stark.
(Old 19th District.)—The counties of Ashtabula, Geauga, Mahoning, Portage, and Trumbull.
Collector's Office—Cleveland.

OREGON.

Collector's Office—Portland.

PENNSYLVANIA.

1.—The 2d, 3d, 4th, 5th, 6th, and 11th wards of the city of Philadelphia.
(Old 3d District.)—The 12th, 13th, 16th, 17th, 18th, and 19th wards of the city of Philadelphia.
(Old 2d District, including territory originally comprised in old 4th District.)—The 1st, 7th, 8th, 9th, and 10th wards of the city of Philadelphia.
(Old 4th District.)—The 14th, 15th, 20th, 21st, and 24th wards of the city of Philadelphia.
(Old 5th District, except the county of Lehigh.)—The 22d, 23d, and 25th wards of the city of Philadelphia, and the counties of Bucks and Montgomery.
(The old 6th District, composed of the counties of Lehigh and Montgomery, was consolidated with the 5th District January 1, 1876.)
(That part of old 9th District originally comprised in old 7th District.)—The counties of Chester and Delaware.
Collector's Office—Philadelphia.

8.—The county of Berks.
(Old 10th District.)—The counties of Lebanon and Schuylkill. Lehigh county, which was originally in the 6th District, was added to the 5th District January 1, 1876, and transferred to the 8th District October 2, 1876.
Collector's Office—Reading.

9.—The county of Lancaster.
(Old 15th District.)—The counties of Cumberland, Perry, and York.
Collector's Office—Lancaster.

12.—The counties of Luzerne and Susquehanna.
(Old 11th District.)—The counties of Carbon, Monroe, Northampton, Pike, and Wayne.
(Old 13th District.)—The counties of Bradford, Columbia, Montour, Sullivan, and Wyoming.
Collector's Office—Wilkesbarre.

14.—The counties of Dauphin, Juniata, Northumberland, Snyder, and Union.
(Old 18th District.)—The counties of Centre, Clinton, Lycoming, Potter, and Tioga.
Collector's Office—Sunbury.

16.—The counties of Adams, Bedford, Franklin, Fulton, and Somerset.
(Old 17th District.)—The counties of Blair, Cambria, Huntingdon, and Mifflin.
Collector's Office—Somerset.

19.—The counties of Cameron, Elk, Erie, McKean, and Warren.
Collector's Office—Erie.

20.—The counties of Clarion, Crawford, Forest, Mercer, and Venango.
Lawrence county, which was originally in the 24th District, was added to the 23d District January 1, 1876, and transferred to 20th District October 2, 1876.
Collector's Office—Greenville.

22.—That portion of Allegheny county lying south of the Ohio and Allegheny rivers, including Neville Island.
(Part of old 21st District.)—The counties of Fayette and Westmoreland.
(Part of old 24th District.)—The counties of Greene and Washington.
Collector's Office—Pittsburgh.

23.—That portion of Allegheny county lying north of the Ohio and Allegheny rivers, and the counties of Armstrong and Butler.
The counties of Clearfield and Jefferson, formerly in the 19th District, were transferred to the 23d District October 2, 1876.
(Part of old 21st District.)—The county of Indiana.
(Part of old 24th District.)—The county of Beaver.
Collector's Office—Allegheny City.

RHODE ISLAND.

Collector's Office—Providence.

SOUTH CAROLINA.

Collector's Office—Columbia.

TENNESSEE.

2.—The counties of Anderson, Blount, Bradley, Campbell, Claiborne, Knox, Loudon, McMinn, Monroe, Morgan, Polk, Roane, Scott, and Union.

(Old 1st District.)—The counties of Carter, Cocke, Grainger, Greene, Hamblin, Hancock, Hawkins, Jefferson, Johnson, Sevier, Sullivan, Unicoi, and Washington.
Collector's Office—Knoxville.

5.—The counties of Cheatham, Davidson, Robertson, Sumner, Williamson, and Wilson.
(Old 3d District.)—The counties of Bledsoe, Clay, Cumberland, De Kalb, Fentress, Grundy, Hamilton, Jackson, James, Macon, Marion, Meigs, Overton, Putnam, Rhea, Sequatchie, Smith, Van Buren, Warren, and White.
(Old 4th District.)—The counties of Bedford, Cannon, Coffee, Franklin, Giles, Lincoln, Marshall, Moore, and Rutherford.
(Old 6th District.)—The counties of Decatur, Dickson, Hardin, Hickman, Houston, Humphreys, Lawrence, Lewis, Maury, Montgomery, Perry, Stewart, Trousdale, and Wayne.
Collector's Office—Nashville.

8.—The counties of Crockett, Fayette, Hardeman, Haywood, McNairy, Madison, Shelby, and Tipton.
(Old 7th District.)—The counties of Benton, Carroll, Dyer, Gibson, Henry, Henderson, Lauderdale, Obion, and Weakley.
Collector's Office—Memphis.

TEXAS.

1.—The counties of Angelina, Brazoria, Brazos, Chambers, Galveston, Grimes, Hardin, Harris, Houston, Jasper, Jefferson, Lee, Leon, Liberty, Madison, Montgomery, Nacogdoches, Newton, Orange, Polk, Robertson, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, and Waller.
(Old 2d District.)—The counties of Aransas, Atascosa, Austin, Bee, Calhoun, Cameron, Colorado, De Witt, Duval, Encinal, Fayette, Fort Bend, Frio, Goliad, Gonzales, Hidalgo, Jackson, Karnes, La Salle, Lavaca, Live Oak, McMullin, Matagorda, Maverick, Nueces, Refugio, San Patricio, Starr, Victoria, Washington, Webb, Wharton, Zapata, and Zavala.
Collector's Office—Galveston.

3.—The counties of Archer, Bandera, Bastrop, Baylor, Bell, Bexar, Blanco, Bosque, Brown, Burleson, Burnet, Caldwell, Callahan, Comanche, Clay, Coleman, Comal, Concho, Cooke, Coryell, Dawson, Denton, Eastland, Edwards, El Paso, Erath, Falls, Gillespie, Guadalupe, Hamilton, Hardeman, Haskell, Hays, Hill, Hood, Jack, Johnson, Jones, Kendall, Kerr, Kinney, Kimball, Knox, Lampasas, Llano, McCulloch, McLennan, Mason, Medina, Menard, Milam, Montague, Palo Pinto, Parker, Pecos, Presidio, Runnels, San Saba, Shackelford, Stephens, Tarrant, Taylor, Throckmorton, Tom Green, Travis, Uvalde, Wegeforth, Wichita, Wilbarger, Williamson, Wilson, Wise, and Young.
Collector's Office—Austin.

4.—The counties of Anderson, Bowie, Camp, Cass, Cherokee, Collins, Dallas, Delta, Ellis, Fannin, Franklin, Freestone, Grayson, Gregg, Harrison, Henderson, Hopkins, Hunt, Kaufman, Lamar, Limestone, Marion, Morris, Navarro, Panola, Rains, Red River, Rockwell, Rusk, Smith, Titus, Upshur, Van Zandt, and Wood.
Collector's Office—Jefferson.

UTAH.

Collector's Office—Salt Lake City.

VERMONT.

Collector's Office—Montpelier.

VIRGINIA.

2.—The counties of Brunswick, Dinwiddie, Greenville, Isle of Wight, Nansemond, Norfolk, Prince George, Princess Anne, Southampton, Surrey, and Sussex, and the cities of Norfolk, Petersburg, and Portsmouth.
(Old 1st District.)—The counties of Caroline, Charles City, Elizabeth City, Essex, Gloucester, James City, King and Queen, King George, King William, Lancaster, Matthews, Middlesex, New Kent, Northumberland, Richmond, Warwick, Westmoreland, and York, and the city of Williamsburg.
Collector's Office—Petersburg.

3.—The counties of Culpeper, Goochland, Hanover, Henrico, Louisa, Orange, Rappahannock, Spottsylvania, and Stafford, and the city of Richmond.
Collector's Office—Richmond.

4.—The counties of Amelia, Charlotte, Chesterfield, Cumberland, Lunenburg, Mecklenburg, Nottoway, Powhatan, and Prince Edward.
The counties of Halifax, Henry, Patrick, and Pittsylvania, formerly in the 5th District, were transferred to the 4th District April 1, 1875.
Collector's Office—Danville.

5.—The counties of Bedford, Campbell, Franklin, and Roanoke.
The counties of Amherst, Appomattox, Buckingham, Fluvanna, and Nelson, formerly in the 4th District, were transferred to the 5th District April 1, 1875.
(Old 8th District.)—The counties of Bland, Buchanan, Carroll, Floyd, Giles, Grayson, Lee, Montgomery, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe.
Collector's Office—Lynchburg.

6.—The counties of Albemarle, Alleghany, Augusta, Bath, Botetourt, Craig, Greene, Highland, Madison, Page, Rockbridge, and Rockingham.

(Old 7th District.)—The counties of Alexandria, Clarke, Fairfax, Fauquier, Frederick, Loudoun, Prince William, Shenandoah, and Warren.
Collector's Office—Harrisonburgh.

WASHINGTON.

Collector's Office—Olympia.

WEST VIRGINIA.

1.—The counties of Brooke, Calhoun, Doddridge, Gilmer, Hancock, Harrison, Lewis, Marshall, Ohio, Pleasants, Ritchie, Roane, Tyler, Wetzel, Wirt, and Wood.
(Old 3d District.)—The counties of Boone, Braxton, Cabell, Clay, Fayette, Greenbrier, Jackson, Kanawha, Lincoln, Logan, McDowell, Mason, Mercer, Monroe, Nicholas, Putnam, Raleigh, Summers, Wayne, and Wyoming.
Collector's Office—Wheeling.

2.—The counties of Barbour, Berkeley, Grant, Hampshire, Hardy, Jefferson, Marion, Mineral, Monongalia, Morgan, Pendleton, Pocahontas, Preston, Randolph, Taylor, Tucker, Upshur, and Webster.
Collector's Office—Grafton.

WISCONSIN.

1.—The counties of Kenosha, Milwaukee, Racine, Walworth, and Waukesha.
Collector's Office—Milwaukee.

2.—The counties of Columbia, Dane, Jefferson, and Rock.
(Old 3d District added to 2d District July 1, 1871.)—The counties of Crawford, Grant, Green, Iowa, La Fayette, Richland, and Sauk.
Collector's Office—Madison.

3.—(Old 4th District.)—The counties of Dodge, Fond du Lac, Ozaukee, Sheboygan, and Washington.
(Old 5th District.)—The counties of Brown, Calumet, Door, Green Lake, Kewaunee, Manitowoc, Marquette, Oconto, Outagamie, Shawano, Waupaca, Waushara, and Winnebago.
Collector's Office—Oshkosh.

6.—The counties of Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Jackson, Juneau, La Crosse, Lincoln, Marathon, Monroe, Pepin, Pierce, Polk, Portage, St. Croix, Taylor, Trempealeau, Vernon, and Wood.
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